As of 11 a.m. ET **DJIA** 10443.46 ▲ 0.38% **FTSE 100** 5484.06 ▲ 1.45% **Nikkei 225** 10221.84 ▲ 0.49% **Shanghai Comp.** 3073.11 ▼ 0.48% **Hang Seng** 20906.11 ▼ 0.72% **Sensex** 16772.56 ▲ 2.09% **S&P/ASX 200** 4701.92 ▲ 0.33%

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DOWJONES A NEWS CORPORATION COMPANY asia.WSJ.com

Geneva show touts small cars and hybrids

Associated Press; Bloomberg News (Subaru)

The futuristic Sbarro Coupe Autobau concept car, left, and Subaru plug-in Stella concept car, right, drew interest at the international auto show in Geneva on Monday. In the U.S., meanwhile, Toyota introduced an 'aggressive' incentive program to lure buyers back to its U.S. showrooms. And Ford' said its American sales jumped 43% last month, helping the auto maker top rival General Motors, which said snow and restructuring affected its sales. **Pages 17, 20**

Apple hits HTC with suit

By Roger Cheng

Apple Inc. sued **HTC** Corp., which makes several smart phones that run **Google** Inc.'s software, saying the handset maker is infringing on 20 patents related to its popular iPhone.

Taiwan's HTC has built up its brand in the recent years thanks to its early support of Google's Android operating system. It was the first company to sell an Android-based phone, and builds Google's Nexus One phone, which the Internet giant is selling directly to consumers.

Apple filed complaints with both with the U.S. International Trade Commission and in federal court in Delaware. The suits seek a ban on U.S. imports, sales or use of the targeted HTC phones, as well as unspecified compensation for damages.

Apple's ITC complaint claims many of HTC's devices, including the Nexus One, as well as phones running Microsoft Corp.'s Windows Mobile software infringe on its patents.

Apple said the patents involve the iPhone's touchscreen user interface, hardware and software.

"We can sit by and watch competitors steal our patented inventions, or we can do something about it. We've decided to do something about it," said Apple Chief Executive Steve Jobs in a statement. "We think competition is healthy, but competitors should create their own original technology, not steal ours."

An HTC spokesman said the company "values patent rights and their enforcement but is also committed to defending its own technology innovations." The spokesman said HTC had learned of the lawsuit through media reports, and hadn't had a chance to review the complaint.

A spokesman for Google wasn't immediately available to comment. Google wasn't

Please turn to page 16

Chinese firm halts $1 billion listing

By Amy Or

HONG KONG—China automobile dealer **Zhongsheng Group Holdings** Ltd. has shelved its planned US$1 billion Hong Kong initial public offering due to volatile market conditions, a person familiar with the situation said Tuesday.

The switch is the latest blow to the Hong Kong market, which has seen a number of weak IPOs in recent weeks due to market saturation and—in some cases—uncertainty about the economic situation in the Chinese mainland.

Zhongsheng's shelved offering would have been the largest IPO in Hong Kong since Russian aluminum company UC Rusal Ltd.'s US$2.55 billion share sale in January.

The company, which focuses on luxury and mid- to high-end automobile brands like Mercedes-Benz, Lexus, Audi and Toyota, was originally scheduled to kick off order-taking this week and likely to list at the end of the month, said the person familiar with the matter. Company officials weren't available for comment.

Please turn to page 16

Greece plans new austerity steps

By Costas Paris

ATHENS—The Greek government is expected to outline Wednesday a new austerity package of about €4 billion ($5.42 billion) in an effort to cut its huge budget deficit by four percentage points this year, government officials said Tuesday.

"The new package will most likely be announced on Wednesday. First there will be a cabinet meeting to seal the measures and an announcement will follow," one official said.

Another official said Greece's debt management agency is preparing a 10-year bond hoping to raise between €3 billion and €5 billion, taking advantage of the expected positive market reaction after the measures are announced.

Petros Christodoulou, head of Greece's debt-management agency, said that Greece "does not have to access the market any time soon and this allows us to access it when conditions are favorable."

But another senior government official said the bond issuance "will be within days of the announcement of the austerity package."

"We need to go to the market very soon with the 10-year note because we risk ending up with no money." he said, adding that the bond "was originally planned for last week."

Greek Prime Minister George Papandreou said the country must be able to borrow money on terms similar to those given other European Union nations or the results will be "something worse than catastrophic," according to the Associated Press.

Bloomberg

An EU flag near the Acropolis.

"We are borrowing from international markets that simply do not believe us," Mr. Papandreou told his Socialist party deputies in Parliament, the AP reported.

Separately, Greece's civil servants union ADEDY said it would stage a 24-hour strike on March 16 to protest the new measures.

"The civil servants, which are the lowest paid in Greece, are paying the price for this crisis. Enough is enough," ADEDY President Spyros Papaspyros said.

"We are meeting now to decide on the day. It will either be March 15, 16 or 17," Mr. Papaspyros said.

Greece is under intense pressure from the European Union and financial markets to bring down its budget gap, which hit an estimated 12.7% of gross domestic product last year, more than four times the limit set by the EU. The Socialist government has pledged to cut that deficit to 8.7% of GDP this year, and be-

Please turn to page 16

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PAGE TWO

What's News—

* * *
Business & Finance

■ **The Obama administration** is considering requiring that all U.S. vehicles be equipped with technology that stops a car when both the gas pedal and brakes are activated. Also, Toyota named former U.S. Transportation Secretary Rodney Slater to lead a quality panel of independent experts. **17**

■ **Ford posted a 43% increase** in February U.S. sales, as its results topped rival GM. Toyota launched sales incentives in the U.S. amid its image crisis. **20**

■ **Astellas Pharma made** a $3.5 billion bid for U.S. firm OSI, underlining the growing aggressiveness of Japan Inc., which is on the prowl for global acquisitions. **18**

■ **Australia raised** its cash rate target a quarter of a percentage point to 4.00% to keep a lid on an accelerating economy. **3**

■ **The EU and Vietnam said** they would start free-trade talks. Any deal faces a host of obstacles. **4**

■ **Modest gains in U.S. stocks** pushed the DJIA back into positive territory for 2010. India's benchmark closed at its highest point in more than a month on strong domestic auto sales. **27**

■ **An Indonesian parliamentary** committee failed to arrive at a consensus on an inquiry into a $700 million bank bailout, adding to recent political tensions. **4**

■ **BP is shaking up** its oil-production business as it looks to increase profits. **19**

■ **Rio Tinto won** a mining permit in Indonesia for a planned $2 billion nickel project. **22**

■ **A U.S. lawmaker said** he will introduce a bill that would require Internet companies to take steps to protect human rights. **18**

■ **Daimler and China's BYD** will jointly develop an electric vehicle for the Chinese market. **20**

Reuters

Earthquake survivors embrace as soldiers patrol Tuesday in Constitucion, Chile. U.S. Secretary of State Hillary Clinton arrived to offer the country support as it recovers. Also Tuesday, Chile's leading business group said it is too early to determine the damages and effects of the quake on the economy.

■ **GM plans to boost funding** for Opel to $2.58 billion and reduce its request for state aid ahead of a restructuring to turn around its European operations. **20**

■ **China Merchants Bank said** it will proceed with its planned $3.2 billion rights issue Friday, a move to replenish its capital base. Both A and H shares will be sold. **23**

■ **Sony said it repaired** a software glitch with its PlayStation 3 that had prevented some users from accessing its PlayStation Network. **WSJ.com**

■ **JAL and Nippon Yusen** abandoned plans to merge their air cargo operations amid JAL's reorganization. **21**

■ **Tatts Group bought** the lottery business of the Australian state of New South Wales for $765 million, sending its shares down in part on worries that it overpaid. **22**

* * *
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■ **Chinese writer** and government critic Liao Yiwu said he was blocked from leaving China to attend a literary festival in Europe.

■ **Pakistani forces seized** an al Qaeda and Taliban stronghold along the border with Afghanistan that once served as a hideout for a deputy to bin Laden. **5**

■ **U.S. commanders** are increasingly unsure about who is responsible for the violence in Iraq, underscoring the challenge they face trying to keep a lid on it ahead of a parliamentary election Sunday. **5**

■ **Thai authorities intend** to stick to a deadline for new rules that threaten many migrant workers with deportation, but an official said it could take some time before any deportations begin. **5**

■ **Prime Minister Tymoshenko's** Orange coalition dissolved, losing its majority in Ukraine's parliament and paving the way for Yanukovych to consolidate power.

■ **At least 70 people died** in Uganda after heavy rains caused a landslide that swamped houses, stores and at least one school.

ONLINE TODAY

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A push is under way in the U.S. to lower radiation exposure from CT scans, amid growing concern about cancer risks.

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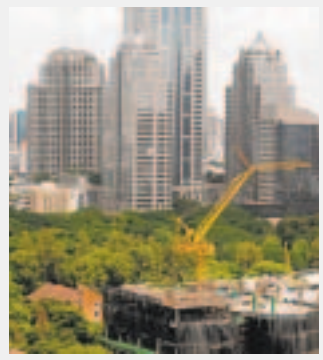

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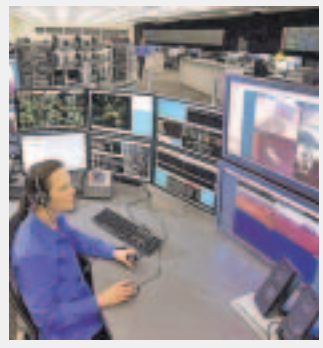

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WORLD NEWS

Australia resumes rate-tightening

Central bank, increasing target, takes another step in removing stimulus measures and returning to normal

By James Glynn

SYDNEY—The Reserve Bank of Australia raised its cash rate target a quarter of a percentage point to 4.00% to keep a lid on an accelerating economy that the central bank said may have already recovered to its long-term average growth rate.

Resuming a policy tightening that it paused in February, the RBA indicated it will continue to lead Group of 20 countries in removing economic-stimulus measures, saying the latest rate rise is a step in a process of raising rates back to normal.

"The board judges that with growth likely to be close to trend and inflation close to target over the coming year, it is appropriate for interest rates to be closer to average. Today's decision is a further step in that process," RBA Governor Glenn Stevens said in a statement.

As it did last month, the RBA mentioned heightened sovereign risks in the global economy. But it was more upbeat on the domestic economy, saying "economic conditions have been stronger than expected."

"Labor market data and a range of business surveys suggest growth in the economy may have already been at or close to trend for a few months," Mr. Stevens said.

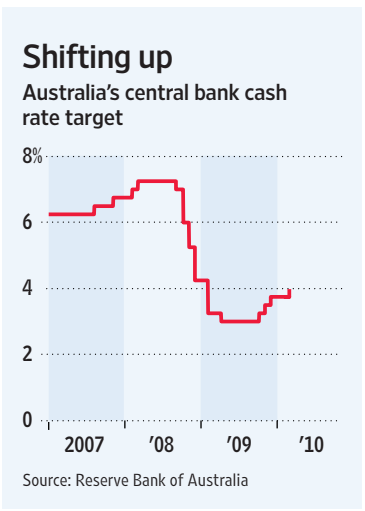
Economists said further rate rises are on the way, but the RBA won't tighten policy every month. The intention is to return rates to normal levels, widely viewed as about 4.25% to 4.75%.

"They are not indicating any urgency," said Bill Evans, chief economist at Westpac. "We think they will go again in a couple of months."

The Australian dollar was slightly lower after the statement. Tuesday afternoon in Sydney it was quoted at US$0.8979.

Major commercial banks said after the RBA move that their lending rates are again under review.

Treasurer Wayne Swan said in Canberra that banks won't be justified if they continue the recent practice of raising lending rates by more than the RBA increase.



Mr. Swan added that some areas of the economy remained weak, but mining is strong.

"If you are in resources, the outlook is quite bright, there's no doubt the economy is strengthening, but if you saw some of the data that came out last week, parts of the economy are still soft," he said.

Having avoided recession in 2009, the RBA was the first central bank in the G-20 to start raising interest rates, with a string of rises in October, November and December.

Separately Tuesday, data from South Korea showed inflation in that country eased in February as widely expected, but economists say pressure may build in coming months and prompt the central bank to start raising its policy rate from its record-low 2% as early as the next quarter.

South Korea's consumer price index rose 2.7% from a year earlier last month, slowing from January's 3.1% increase and sliding into the lower half of the central bank's target band of 2%-4%.

Thailand also reported decelerating inflationary pressure, with consumer prices rising 3.7% in February, compared a 4.1% increase the prior month. A commerce ministry official said the central bank is expected to maintain its benchmark rate at 1.25% during the first quarter as inflation remains within its target range.

Australia's economy is starting a new upswing, with already-low unemployment creating concerns about the availability of workers as demand heats up in areas of the economy such as mining and energy. Unemployment fell to 5.3% in January, not far above levels considered full employment for the economy.

"CPI inflation has risen somewhat recently as temporary factors that had been holding it to unusually low rates are now abating," Mr. Stevens said Tuesday.

The RBA has indicated it expects inflation to remain within its 2%-3% target band, but has also said interest rates will need to rise further to achieve its forecast.

—Enda Curran, Geoffrey Rogow and Rachel Pannett contributed to this article.

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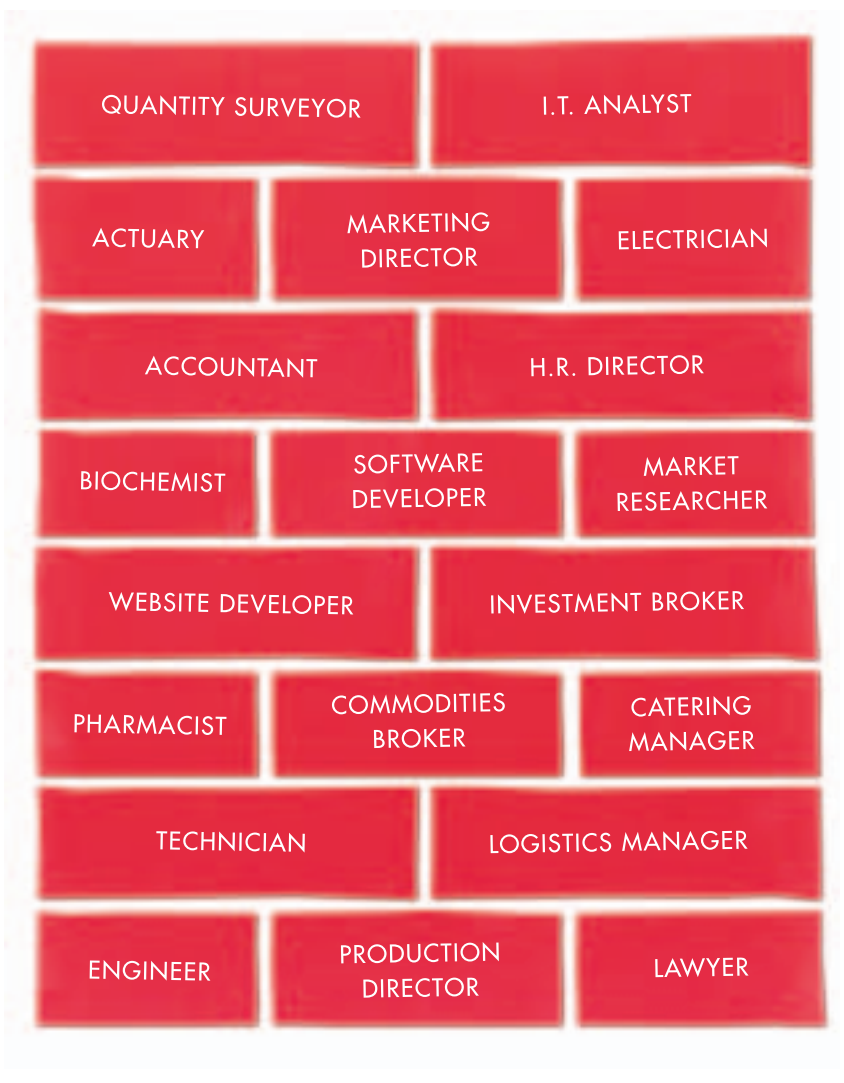

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WORLD NEWS

Panel split on Bank Century bailout

Indonesian committee sends recommendations to a vote in parliament, as antigovernment protesters riot

By Joko Hariyanto, Reuben Carder And I Made Sentana

JAKARTA—An Indonesian parliamentary committee Tuesday failed to arrive at a consensus on a high-profile inquiry into a $700 million bank bailout, adding to recent political tensions in Southeast Asia's largest economy.

Antigovernment protesters, angry over the bailout, hurled rocks at police, who responded with water cannons and tear gas outside Indonesia's national parliament. Emotions also ran high inside the parliament, and a scuffle broke out between lawmakers debating how to handle the committee's conclusions.

The committee was wrapping up a months-long investigation into the government's 2008 rescue of PT **Bank Century**, an Indonesian bank that nearly collapsed at the height of the global financial crisis. Critics of the bailout have argued it was expensive, unnecessary and possibly illegal, and have called for the resignation of the two top officials who oversaw the bailout, Finance Minister Sri Mulyani Indrawati and Vice President Boediono, who was central bank governor at the time.

The two officials, widely credited internationally with pushing overhauls that strengthened Indonesia's economy in recent years, have argued the bailout was in the best interests of the country.

European Pressphoto Agency

A protester confronts police Tuesday during a demonstration outside the parliament building in Jakarta, Indonesia,

The committee released two apparently contradictory findings and gave little clear indication of how the investigation will proceed.

One finding, backed mainly by members of the inquiry committee allied with the party of President Susilo Bambang Yudhoyono, said the bailout was necessary to avoid placing the country's financial system at risk, committee spokesman Idrus Marham said in a televised hearing. Still, this bloc also found indications that the bailout process may have violated "the prevailing mechanism and regulations," and suggested further investigation to substantiate the bloc's views.

Another recommendation, supported by a majority of the committee's members, alleged "irregularities" and abuse of power, demanding its findings be followed by further examination by police, state prosecutors and an anticorruption committee, Mr. Marhan said.

A section of the committee's report referred to statements last week by some of its members that they believed Ms. Sri Mulyani, Mr. Boediono and subordinates were responsible for initiating the bailout. But the main text of the recommendations didn't mention specific officials by name.

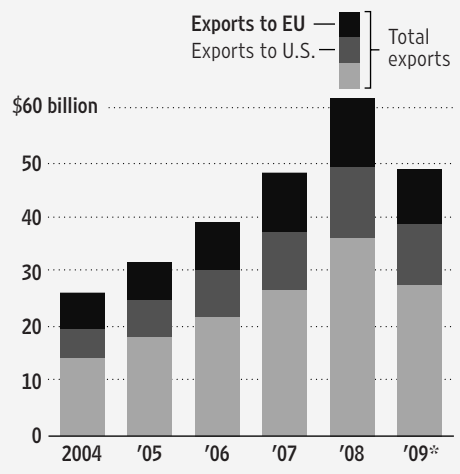
Both recommendations will be put to a vote by all lawmakers at a plenary session scheduled for Wednesday, which will determine what further actions will be taken.

Analysts say it appears increasingly unlikely that serious action will be taken against Ms. Sri Mulyani and Mr. Boediono, since the committee failed to reach a definitive conclusion. The issue could still affect the economy, though, by making it more difficult for the government to push through unpopular measures, such as raising fuel and electricity tariffs, Prakriti Sofat, an economist with Barclays Capital, said in a report this week.

—Patrick Barta contributed to this article.

Rising exports

Vietnam is one of the world's fastest-growing export powers. An EU-Vietnam free-trade deal would allow the EU to pull ahead of the U.S. in trade with Vietnam, and give Vietnam a competitive edge over China.



*Through November

Sources: Global Trade Information Services; Reuters (photo)

A farmer gathers rice in fields outside Hanoi. Vietnam is one of the biggest rice exporters in the world.

EU, Vietnam announce trade talks

By John W. Miller And Patrick Barta

BRUSSELS—The European Union and Vietnam announced the start of free-trade negotiations Tuesday, signaling a major effort to move ahead in the race to secure new markets despite the failure of the Doha Round of global trade talks.

EU officials say they want a privileged trade and investment relationship with Vietnam, a booming country with 86 million people and a $100 billion economy that is open to buying European cars, wine, cheese and pharmaceuticals. For Vietnam, a free-trade deal with the EU would be a chance to lure manufacturers away from China with the promise of a launching pad into the EU's roughly $15 trillion economy, the world's largest.

Efforts to reach a deal, however, face fresh obstacles in Europe, where the new Lisbon Treaty gives ratification powers to the European Parliament, which, like the U.S. Congress, is home to protectionist sentiment and human-rights concerns.

The EU-Vietnam talks continue a recent trend of pursuing bilateral accords, which were set aside during most of the past decade as countries focused on an overarching, multilateral trade agreement. Now the Doha Round is on hold, bilateral trade ambitions are again the focus.

The EU has signed a deal with South Korea, and last week it announced the conclusion of an agreement with Peru and Colombia. The U.S. has negotiated trade treaties with South Korea and Colombia, although they haven't been ratified by Congress.

But an EU-Vietnam deal would be much larger, say trade experts.

Vietnam's biggest exports are textiles, shoes, seafood and coffee. A free-trade deal with the EU could expand that portfolio. "Vietnam is looking to attract manufacturing that has become too expensive in China," says Fredrik Erixon, a trade analyst with the European Centre for International Politics and Economy, a Brussels-based think tank. A trade treaty would end the antidumping tariffs on Vietnamese shoe exports that the EU imposed in 2006 and extended in 2009.

The EU had already begun free-trade talks with a group of Asian countries including Cambodia, Indonesia, Singapore, Myanmar and the Philippines. It has now abandoned that idea, "because of the very different levels of economic development in the countries concerned," EU Trade Commissioner Karel De Gucht said before meeting with Vietnamese Prime Minister Nguyen Tan Dung.

"The attraction for the EU is competing with the U.S. in opening new markets, especially for services," says Nikolay Mizulin, a trade lawyer with Hogan & Hartson LLP.

The European Parliament, however, could prove a stumbling block. It has expanded powers under the recently ratified Lisbon Treaty, including the right to block trade deals. It is also home to lobbyists ready to bat on behalf of the few industries where European and Vietnamese companies do compete, such as bicycles, shoes and textiles.

The Parliament could also raise Vietnam's human-rights record. Dissent in the country has intensified lately in part due to strains related to the global economic crisis. The government has launched a new crackdown on activists in recent months, and that has alarmed some of the country's leading trading partners.

U.S. trade officials, for their part, are considering whether to join a trans-Pacific trade bloc that could include Vietnam along with Chile, New Zealand, Singapore and Brunei.

The U.S., however is unlikely to be able to match the EU's bilateral free-trade ambitions. U.S. trade representative Ron Kirk has said the administration is focused on enforcing existing trade agreements instead of securing new ones.

Jobless rate falls in Japan; spending rises

By Takashi Mochizuki

TOKYO—Japan's jobless rate and consumer spending improved in January, but analysts and officials remained cautious about the outlook, fearing the positive trends may not last once government stimulus measures expire.

The unemployment rate fell to a 10-month low in January as hiring picked up, official data showed Tuesday. The rate fell to 4.9% from 5.2% the month before, beating economists' forecast of 5.1%.

The January jobless figure was the lowest since 4.8% in March last year, the Ministry of Internal Affairs and Communications said.

Meanwhile, all household spending rose 1.7% from a year earlier, rising for the sixth straight month thanks to robust car sales. The rise missed economists' forecast for a 2.4% gain.

A government official said the improvements in employment and spending were partly because of government support measures, which included aid for companies to hire and incentives for consumers to buy fuel-efficient cars.

Finance Minister Naoto Kan welcomed the positive news, but was guarded about overall economic conditions, including prices.

"There still is a significantly large supply-demand gap," Mr. Kan said. "If possible, we must bring [the on-year rate of price increases] to at least above 0% within this year; that is, to change the deflationary situation into one where product prices rise moderately."

Japan's core consumer price index fell 1.3% from a year earlier in January, the 11th straight month of drops, data showed last week.

WORLD NEWS

Pakistan seizes insurgent stronghold

Troops push al Qaeda and Taliban fighters from Damadola, a strategically important region near Afghan border

By Zahid Hussain

DAMADOLA, Pakistan—Pakistani forces have seized a key al Qaeda and Taliban stronghold along the border with Afghanistan that once served as a hideout for Ayman al Zawahiri, second-in-command to Osama bin Laden.

The capture of Damadola, a district in the Bajaur tribal region, is a major success in Pakistan's counter-insurgency campaign. The area had long been dominated by insurgents operating on both sides of the Pakistan-Afghanistan border.

Pakistani forces seized the scenic district late last month, after several days of fierce fighting that Pakistan said left more than 75 foreign and local militants dead. Pakistan's military took reporters to the site, which is surrounded by snow-capped mountains less than five kilometers from the Afghan border, for the first time Tuesday.

"It was the main hub of militancy where al Qaeda operatives had moved freely," said Maj. Gen. Tariq Khan, the regional commander.

A complex of caves and fortified compounds made it more difficult for the Pakistani forces to dislodge the insurgents.

"They had occupied the ridges. There were 156 caves designed as a defensive complex," said Gen. Khan, who is head of the Frontier Corps responsible for Pakistan's counter-insurgency campaign in the region.

Gen. Khan said his forces have cleared the area to the Afghan border and that the campaign against the insurgents there was in its final stage. He said the development would help the U.S.-led troops fighting the insurgents across the border.

The Pakistani army first mounted an operation in Bajaur in August 2008 and claimed victory in February 2009, but violence resumed when the army's focus switched to Pakistani Taliban fighters in the northwestern valley of Swat and the border region of South Waziristan.

It took almost 18 months for the military to fully dislodge the insurgents. But the army's hold remains tentative, with top insurgent commanders escaping to surrounding areas. Damadola is a strategically important region that offers access to Afghanistan, Pakistan's northern district of Chitral, the main highway to China and to Swat.

Pakistani military officials said the area was also used by Mr. Zawahiri and other senior al Qaeda commanders. A large mud compound on a hilltop is believed to once have been the hideout of Mr. Zawahiri, one of the world's most-wanted terrorists, with a $25 million U.S. bounty on his head.

"He has been spotted here by the local residents in the past," said Col. Nauman Saeed, a local army commander. The Egyptian doctor narrowly escaped when missiles fired by a drone operated by the U.S. Central Intelligence Agency struck a house in Damadola in January 2006. According to officials, he and other al Qaeda operatives had attended a dinner there but had left just before the attack.

The capture of Damadola comes as Islamabad mounts a crackdown against Afghan Taliban hiding in the country, indicating a more-aggressive approach in dealing with the insurgents.

Meanwhile, on Tuesday, the Pakistan Taliban confirmed earlier Pakistani claims that a senior commander of the group, Mohammed Qari Zafar, was killed in a suspected American missile strike last week in the North Waziristan tribal area.

U.S. is unclear about source of Iraq unrest

By Charles Levinson

BAGHDAD—U.S. commanders say they are unsure about who is responsible for the persistent violence in Iraq, underscoring the challenge they face trying to keep a lid on it amid parliamentary elections this weekend.

While security has improved significantly across Iraq in recent years, in the weeks leading up to the March 7 vote, U.S. commanders have reported an increase in low-level violence: kidnappings, assassinations, and mortar attacks against Baghdad's heavily fortified Green Zone, the seat of government power.

And since August, a series of large-scale bombings aimed at government buildings have ripped through Baghdad, killing several hundred people and shaking confidence in Prime Minister Nouri al-Maliki's security services, following the withdrawal of most U.S. combat forces from major Iraqi cities last summer. Commanders worry the violence could spike further after the election if parties feel there was fraud or if negotiations to form a government after the vote break down.

U.S. and Iraqi successes cracking down on organized insurgent groups have caused the groups to splinter into an ill-defined web of smaller, often independent, groups with widely divergent motives, ranging from the ideological to the purely material, according to American military officials.

"There is definitely less clarity as to who the enemy is," says a U.S. Special Forces officer in Baghdad. "The big-time players aren't there anymore. The organized terrorists aren't there anymore."

Iraqi officials are blaming al Qaeda-linked terrorists and loyalists to Saddam Hussein's Baath Party for the attacks. But U.S. military officers, working in Baghdad and Anbar provinces, say the real picture is less clear, making effective countermeasures more difficult.

Charles Levinson/The Wall Street Journal

Iraqi National Police grill a man who allegedly confessed to attempted murder.

"Whether or not the violence is extremist, political or tribal is not clear at this point," says U.S. Army Brig. Gen. Kevin Mangum, the deputy commanding general of U.S. forces in Baghdad and Anbar. "We're not being evasive; it's just really hard to figure out."

Attacks have largely held at or near record post-war lows for the past year and a half in Iraq. But the violence persists at levels that would be considered unacceptably high in many other countries.

"If we don't understand why it's happening, in addition to what's happening, then it's destined to happen again," says Army Capt. Evan Davies, commander of the only U.S. combat company still based inside Baghdad city limits. "And right now, we don't know why a lot of this is happening."

Muddying the waters, U.S. commanders say in recent months they have witnessed a new phenomenon: Sunni al Qaeda-linked insurgents are cooperating with Shiite militias to coordinate more-effective attacks against Iraqi and U.S. forces. In the past, those two groups have typically been bitter enemies.

"Right now AQI and Shiite special groups are uniting together against a common enemy, the Iraqi Security Forces," says Capt. Davies, using the acronym for al Qaeda in Iraq. "That's something we've never encountered before."

The U.S. Special Forces officer says his forces have picked up similar intelligence.

Thailand says worker deportations could take time

By Wilawan Watcharasakwet And Patrick Barta

A Thai government official said authorities intend to stick to a Tuesday deadline for new immigration rules that could result in the deportation of hundreds of thousands of migrant workers who don't comply.

But it could take some time before any deportations begin, said Karun Kitpun, head of the national verification division of Thailand's Ministry of Labor. The government has to compile data on the number of migrant workers who failed to comply, then determine how best to handle them, he said.

"The government will decide later how to enforce the rule of law on these people," he said.

Human-rights groups have blasted the program, which requires some 1.5 million migrants—mainly from Myanmar, Cambodia and Laos—to register with Thai authorities and prove their nationalities, or be deported. Although Thailand has long required migrant workers to register with the government, the newer program calls on migrants to undergo a more time-consuming process that involves verifying their identities with their home governments.

Getty Images

Residents relax in a Burmese community in Mahachai, Thailand, where many work in the seafood industry.

The goal of the effort is to help authorities get a better record of who is in the country, expand protections for the workers and tighten supervision. But many workers are afraid to participate because they fear doing so could subject them to punishments or penalties in their home countries.

Others fear hassles at the hands of Thai police, who rights groups have said sometimes request bribes to prevent deportation, among other abuses. Thai authorities have said they are investigating the complaints.

It remained unclear Tuesday how many migrants had failed to begin the process, though Thai officials and human-rights groups have said in recent days the total was expected to be at least several hundred thousand people.

Mr. Karun said that workers who didn't apply by Tuesday for an extension of their work permits as part of the process would become illegal, but that it would take awhile to determine exactly how many failed to do so.

Mr. Karun said workers who did start the process by Tuesday would have additional time to submit some of the documents to verify their identity, as announced earlier by Thai authorities.

Many Thai businesses, especially textile manufacturers and agricultural operations, rely heavily on the migrant workers to help keep wages low and their businesses competitive with India and China.

Human-rights groups say the workers now account for roughly 5% to 10% of Thailand's work force.

WORLD NEWS

The flu season that just fizzled out

Cases of H1N1 have dwindled in the U.S., seasonal flu has been a no-show and doctors are wondering why

By Betsy McKay

This has been a flu season like few others.

Normally at this time of year, influenza is rampant in the U.S., prompting hundreds of thousands of people to stay home in the dead of winter with fever, aches and pains.

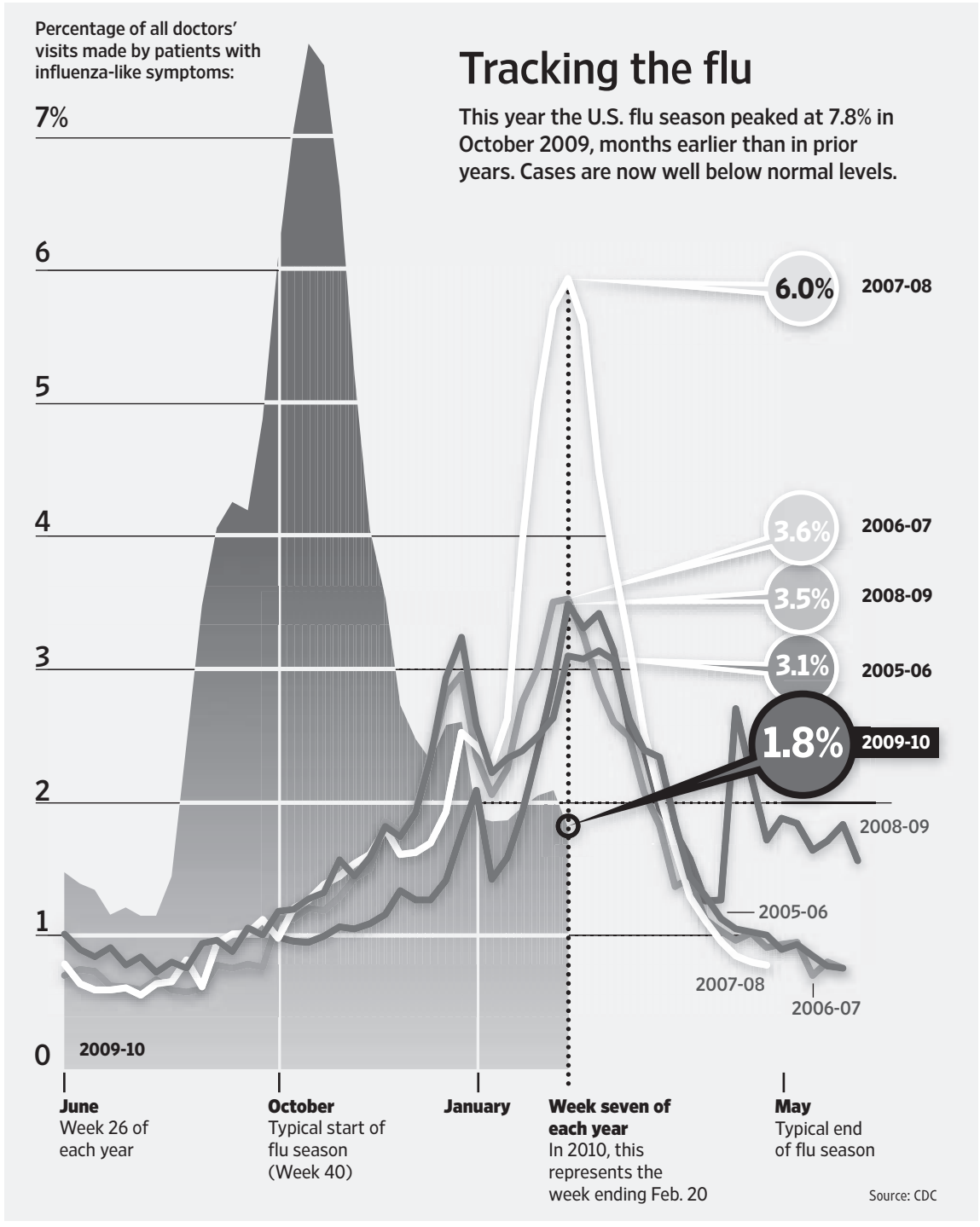
Now, after raging through college campuses and communities last summer and fall, cases of the new H1N1 swine flu virus have dwindled to a trickle, and run-of-the-mill seasonal flu has barely made an appearance. Not one state reported widespread flu illness to the Centers for Disease Control and Prevention for the week ended Feb. 20, the latest data available. The percentage of all doctors' visits by patients with influenza-like symptoms has dropped from a high of 7.8% in late October—the largest peak since the agency began surveillance in 1997—to 1.8% in late February, well below the norm for flu season.

Doctors and flu experts say the lull is unusual. "This is typically the peak of flu," said James Turner, executive director of the University of Virginia's department of student health. He said the Charlottesville, Va., student health center usually sees as many as 130 students a week complaining of flu symptoms this time of year. Recently, no more than three to five students a week have been coming in with fever, cough or other signs of flu, he said.

It's not clear why there's so little flu, particularly swine flu, going around, experts say. "Surely there's a sufficient number of people who haven't been infected or vaccinated," said Michael Osterholm, director of the Center for Infectious Disease Research and Policy at the University of Minnesota.

Many scientists say the answer probably has to do with how the flu virus progresses. Influenza comes and goes in waves, normally running from October through May. But pandemic viruses—new viruses that emerge and spread quickly around the globe—often move to a different rhythm, and can reach their busiest stage at unusual times like summer and early fall, although the reason for this isn't understood. Flu has peaked in late February or early March in 20 of the past 26 flu seasons, said Lyn Finelli, the CDC's chief of flu surveillance and outbreak response. But the latest swine flu wave started in August, and peaked in late October, before waning.

Widely publicized preventive measures such as hand washing, and the large national vaccination effort thus far, may also have played a role in the sharp drop off in H1N1 infections, but it's not clear by how much, said Anthony Fiore, a medical epidemiologist with the CDC's influenza division.



By mid-January, swine flu had sickened about 57 million people in the U.S. and killed roughly 11,700—mostly young adults and children—from the time it emerged in late April through mid-January. Young people who ordinarily fight off flu easily ended up in intensive care units on advanced life support. Pregnant women, children, and other people at risk of flu complications stood in line for hours for vaccine, as slow production and delays prompted limited supplies.

In past years, when seasonal flu was the big worry, influenza has typically sickened about 25 million people a year, and directly killed about 8,000, according to the CDC.

The H1N1 flu virus hasn't disappeared, and another wave could still come this winter. "We've had peaks [of flu] as late as May, so we're not out of the woods yet," said Dr. Fiore of the CDC's influenza division. The virus could also mutate, spawning more new infections, though it hasn't done so yet. Flu experts estimate that more than half the country's population may still be vulnerable to the H1N1 virus, either because they haven't been sick or gotten vaccinated.

Some recent statistics could be warning signals. A few states have reported small increases in the percentage of doctors' visits by patients with flu-like symptoms. And the American College Health Association reported for the week ending Feb. 19 its first uptick in swine flu cases on college campuses since mid-December, to 4.1 cases per 10,000 from 2.7 cases per 10,000.

Dr. Turner, who is also president of the ACHA, said the organization plans to decide along with the CDC after getting more data this week whether to warn colleges to promote prevention measures to thwart a new wave that may be on its way. He said he's concerned that college students traveling on spring break could bring the disease back with them to campus. "If there's anytime we're going to see an increase in disease activity, I'd say March or early April is the time," he said.

U.S. and global health officials have recommended that the new H1N1 virus be included as one of three strains in next season's flu vaccine. The CDC's vaccine advisory panel also expanded its recommendation for who should get flu shots to include young and middle-aged adults, among whom death rates from the new H1N1 virus have been higher than for the elderly or children. The change means that all Americans now will be encouraged to get flu shots when the next vaccine is ready in September.

The unusual course this flu season is taking isn't one that public health officials are eager to repeat. Not knowing when the next flu outbreak could occur will mean staying on high alert for much of the year. It would also mean another rush to get vaccine distributed quickly. The CDC, which normally starts tracking flu hospitalizations and deaths in October, will continue to monitor them this spring, summer, and early fall. "We're going to make sure when it hits, we know about it and can describe it," Dr. Finelli said.

Nancy Cox, the CDC's influenza chief, told a vaccine advisory panel last week that the pandemic H1N1 virus is likely to eventually become a seasonal strain, though it is not one yet. Globally, the pandemic virus is still circulating in tropical countries and some parts of Europe, but is waning in most places, according to the World Health Organization.

Flu experts say they don't know why there is so little seasonal flu circulating this year. One theory doctors are debating is that people infected with H1N1 swine flu may produce a chemical in their bodies that protects them against other flu viruses.

The new virus doesn't appear to have completely muscled out other flu viruses, as some past pandemic viruses have. While one seasonal strain appears to have succumbed to the new tide of H1N1, another that is considered particularly hard on the elderly—H3N2—has continued to circulate in pockets of the globe, albeit in small amounts.

While relatively few people are currently seeking out H1N1 shots, the CDC isn't giving up on promoting the vaccine this winter.

About 155 million doses of H1N1 vaccine have been distributed so far this flu season, and about 86 million people have been vaccinated—a few million less so far than normally get vaccinated for seasonal flu. The agency is especially urging parents with children under 10 who have only had one dose to get a second, which it says is needed for full protection.

Even if a new wave of H1N1 illness occurs, some experts believe it won't be as large as the one last fall.

That's because millions more people have become immune either through infection or vaccination. "I think we'll have scattered outbreaks in communities that didn't have it," said Dr. Finelli.

Malaysia confirms its first H1N1 death since September

Associated Press

KUALA LUMPUR -- Malaysia's government has confirmed the country's first death linked to swine flu in nearly six months.

Health Minister Liow Tiong Lai said the 22-year-old woman died of respiratory problems at a hospital Sunday after testing positive for the H1N1 virus. The minister's statement Tuesday didn't give details of how she had been infected. It was Malaysia's first death linked to the virus since September and brings the country's H1N1 fatalities to 78.

In late February, the World Health Organization said the H1N1 pandemic had not peaked.

At a meeting of its emergency committee on Feb. 23, the WHO suggested it was "premature" to recommend downgrading the global flu outbreak. H1N1 cases have dropped dramatically this year in Western countries, but the virus has only recently hit Africa. The southern hemisphere is also bracing for another possible wave of illness in the next few months.

The WHO's expert committee recommended another meeting be held to monitor the situation.

In an update on Feb. 26, the WHO said that in Southeast Asia, "pandemic influenza virus continued to circulate in areas, however, the overall intensity of respiratory diseases activity remained low and unchanged, except in a few countries."

The WHO said that as of Feb. 21, H1N1 cases had been confirmed in more than 213 countries and territories and there had been at least 16,226 deaths.

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Activision Blizzard; screen grab courtesy of Aaron Sun

A screen shot from Activision Blizzard's 'World of Warcraft' online videogame, which gets about half of its 11.5 million subscribers from China despite a standoff with regulators.

China's videogame makers battle bureaucrats, pirates

As ranks of online players in China surge, companies and investors try to overcome big hurdles

By Juliet Ye

HONG KONG—Videogame companies and investors are rushing to tap the promise of China's game market, but many of them are discovering that a slow-moving bureaucracy and rampant piracy remain significant hurdles.

"World of Warcraft," the online role-playing game that is by far China's most popular, is one example. Regulators continue to hold back the latest edition of the game, hobbling what had been expected to be a major driver of growth for the game's maker, **Activision Blizzard** Inc., and its local partner, **NetEase.com** Inc.

Companies, meanwhile, must fend off bootleg versions of their games. Diana Li, former chief executive of **Shanda Interactive Entertainment** Ltd.'s game unit, said hackers and other forms of piracy reduced the industry's profitability by roughly $1.5 billion last year.

Unlike console games in the U.S. and elsewhere, China's game market is dominated by online role-playing titles such as "World of Warcraft" that hundreds of thousands of people can access via their personal computers or Internet cafes.

Some of the games are free, particularly those made by Chinese developers, but players buy virtual accessories, such as weapons, or pay to play enhanced versions of the games.

The market is attracting increased government attention and software pirates because of its rapid growth. China is expected to see its ranks of online gamers reach 230 million over the next two years, more than three times the current estimated level of 69 million, according to the China Internet Network Information Center, a government agency, in a December study.

That's expected to add to already heady market growth. Revenue from the Chinese game market rose 39% last year to 25 billion yuan, or about $3.7 billion, according to the Ministry of Culture.

Investors are jumping at the opportunity. **Shanda Games** Ltd., the Shanda Interactive unit that makes multiplayer online games with roughly nine million users, raised more than $1 billion in an initial public offering on the Nasdaq Stock Market last year while smaller rival **Changyou.com** Ltd. raised $120 million in its own Nasdaq offering.

"World of Warcraft" says about half of its 11.5 million subscribers are in China, including players like 30-year-old Tao Zhou. In college, "I was so crazy about the game then that I climbed over the wall to play the game since the electricity supply was cut off after 11 p.m. at the school dormitory," said Mr. Zhou, a middle school teacher in the city of Chongqing who spends about 60 yuan (about $9) a month on the game.

Along with growth has come intensifying regulation from multiple government agencies. Last year Beijing authorities banned foreign investment in domestic online games, as well as gangster- and Mafia-themed games. Government officials have declined to comment on the push.

"World of Warcraft" has been caught in the middle. In June, Activision Blizzard said it would drop local partner **The9** Ltd. and work instead with NetEase. The move caused a three-month shutdown as NetEase sought permission from regulators. It received clearance in September from the Ministry of Culture, which regulates public performances and Internet cafes.

But after the launch, NetEase was told by another agency—the General Administration of Press and Publication, which regulates print publications and last year declared it also regulates Internet content—that it had launched the game ille-

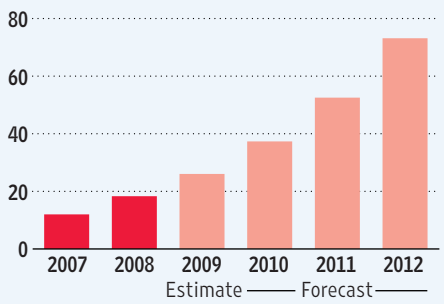
TECHNOLOGY

Online multiplayer worlds, like 'World of Warcraft,' that tens of thousands of people can access from personal computers are the most popular types of videogames in China.

Activision Blizzard (3); screen grabs courtesy of Aaron Sun

China's online-game industry

Revenue, in billions of yuan



Top online-game companies, based on 4Q market share

1. Tencent	24.1%
2. Shanda Games	20.1
3. NetEase.com	16.6
4. Perfect World	7.8
5. Changyou.com	7.0
6. Giant Interactive Group	5.0
7. 9you Information Technology (Shanghai)	4.6
8. Kingsoft Corp	3.9
9. Guang Yu-Huaxia Sci-Tech	3.7
10. NetDragon Websoft	2.3

Source: Analysys International

The market is attracting increased government attention and software pirates because of its rapid growth. China is expected to see its ranks of online gamers reach 230 million over the next two years, more than three times the current estimated level of 69 million, according to the China Internet Network Information Center, a government agency, in a December study.

gally.

In the face of regulatory uncertainty, NetEase has delayed the rollout of the latest version of the game, called "Wrath of the Lich King," which allows players to explore a frozen land. Players in the U.S. and other countries have been playing the new version since late 2008. (Activision referred questions to NetEase, which declined to comment.)

Last week, NetEase reported flat fourth-quarter results in part because of the delayed rollout. William Ding, chief executive of NetEase, said in a conference call the company is working hard to submit "Wrath of the Lich King" for government review as soon as possible.

In addition to the whims of regulators, piracy is also a major problem. China's game companies say they are constantly battling operators of what are called private servers—computers to which game players can connect and play with or against each other without paying fees.

Beijing-based data analysis firm cnzz.com estimates there were 400,000 to 500,000 private servers in China by the end of last year, used by about 1.5 million Chinese players.

Expenses related to piracy have been a persistent problem for Chinese game provider **NetDragon WebSoft** Inc., which blamed them in part for a profit warning a year ago as it fought off private servers running its Eudemons Online fantasy role-playing game. The company says it has worked with local police to close thousands of private servers nationwide.

Xing Shanhu, vice president of Beijing-based videogame start-up **Kylin Games**, said the closely held company spends 10% of its revenue on secure online services to keep pirates from lifting its game code to run on private servers.

The extra security also helps avoid plug-ins, or software players can use to upgrade their online characters. That takes money from game operators because players typically have to pay or play a long time to get such upgrades. "Problems such as server piracy and illegal plug-ins are almost inevitable," said Mr. Xing.

Aaron Sun, 26-year-old employee of a foreign trade company in Shanghai, has played multiplayer online games for eight years. The games required a lot of time before players could upgrade their characters.

"After the initial excitement, I began seeking faster ways to upgrade," said Mr. Sun, who added, "most of my friends do it."

Bazaar: Taipei

What they're buying at Asia's gadget emporiums

Foresight Technologies

The place Omega phone store, Guanghua Computer Market

The goods Foresight Technologies Pte. Ltd.'s iNo Mobile CP09

The specs This no-frills mobile phone carries none of the high-tech functions so common today—camera, color screen, GPS, email—as it targets primarily, if not exclusively, the elderly population. The candy-bar-shaped device's keypad is at least twice as large as that on conventional mobile phones, featuring large characters on a monochrome display, a flashlight, loud polyphonic ringtones, and an S.O.S. button that will send out emergency text messages when triggered.

The price 2,490 New Taiwan dollars (US$78)

The deal The store, located on the third floor of Taipei's busy computer market, has sold an average of 50 CP09s a month since Singapore-based Foresight launched the phone in Taiwan in October—a number the storekeeper considers pretty good for such a niche product. The phone sells for NT$2,490 including tax at Taiwan's major electronics chain stories, such as Tsann Kuen or Best. Here at Omega, the storekeeper offers to sell the phone for NT$2,200 excluding a 5% value-added tax. —Perris Lee Choon Siong

THE PROPERTY REPORT

Thai firm holds on in a tense era

By Piyarat Setthasiriphaiboon

BANGKOK—**Land & Houses** PCL plans to begin 17 projects this year intended to reap a combined 30.95 billion Thai baht ($942 million)in sales, but the Thai residential property developer said profit growth could slow, warning that demand would be capped while domestic political tensions linger.

The Thai property market performed strongly last year despite the country slipping into its first recession in 11 years. The three biggest developers posted double-digit earnings growth. Sales were aided by tax breaks for the sector.

The government decided not to extend those incentives when they expire March 28. That could pressure the bottom line for real-estate firms like Land & Houses, which said Tuesday that it expects net profit growth at the single-digit level this year.

Land & Houses posted a 14% rise in net profit last year to 3.91 billion baht.

"Demand has picked up, but it may not be so overwhelming. It will be in line with supply," said Naporn Sunthornchitcharoen, senior executive vice president. Sales for Land & Houses in the current quarter will remain robust until the support measures end, with full-year sales to grow 15%, Mr. Naporn said.

Still, Land & House's plans for this year underscore the opportunity it sees in the market. A recovery in the Thai economy is expected to help sustain growth.

Of the 17 projects to be launched this year, five should go ahead in the first half, with the remainder to follow. Two of the projects were postponed from 2009 after the suspension of $12.1 billion worth of projects at Thailand's Map Ta Phut industrial estate shook confidence, he said. A court stopped development there last year on environmental grounds, a move that worried foreign investors.

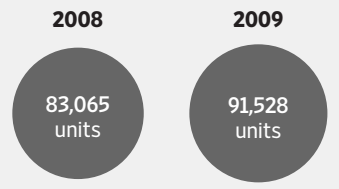
Political tensions are expected to further weigh on Thai investment decisions this year, with the divide between supporters of the Democrat-led ruling coalition and fugitive former Prime Minister Thaksin Shinawatra unlikely to be healed soon.

The company said it plans to issue bonds worth about three billion baht in the first quarter.

Land House has put aside five billion baht to six billion baht for land purchases, bringing the total investment budget for this year to as much as 7.5 billion baht. Last year, the property-development firm spent 4.2 billion baht on land purchases.

More housing

Completed residential-home construction registered in Bangkok and its outskirts:



Source: Bank of Thailand

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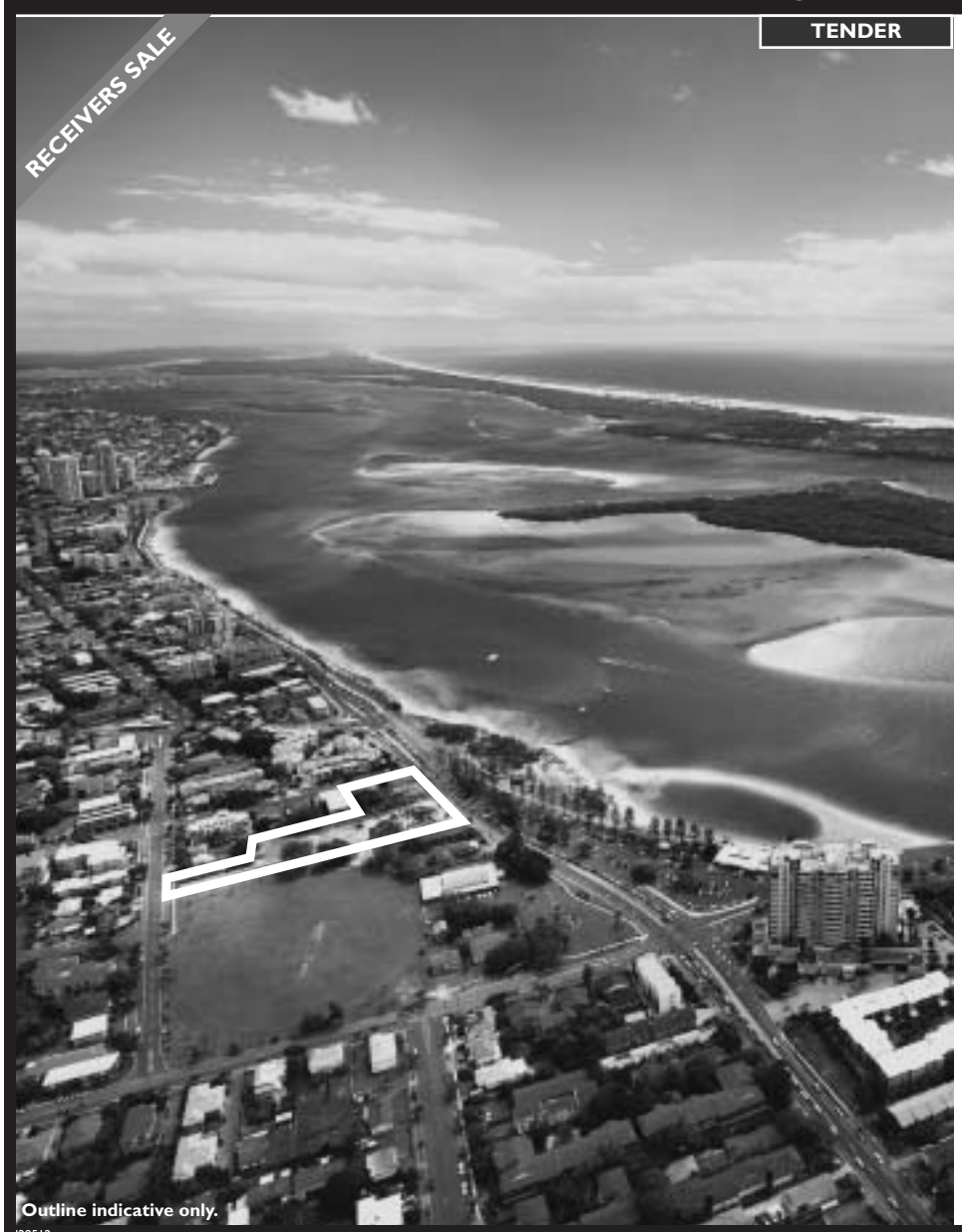

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Swapping Blame Over Athens

At this point, "news" about Greece's manipulation of its budget and deficit figures is about as shocking as the fact that there was gambling in Rick's cafe. But that hasn't prevented a full-blown Claude Rains in "Casablanca" moment over Greece's use of currency swaps to help meet the budgetary requirements for euro-zone entry back in 2001.

That ancient history, first disclosed years ago, is now being conflated with the use of credit-default swaps to bet against the sovereign debt of Greece, Portugal, Spain, Italy and others. Last week, Federal Reserve Chairman Ben Bernanke even told the Senate that the U.S. central bank is investigating Goldman Sachs over CDS deals involving Greece and other foreign countries.

Under the 2001 deal brokered by Goldman, Greece swapped dollar- and yen-denominated debt for euros at below-market exchange rates. The result was that Athens got paid €1 billion ($1.35 billion) upfront on the swap in exchange for an obligation to buy the swaps back later. In 2005, this obligation was in turn securitized as part of a 20-year debt issue, further pushing off the day of reckoning.

Greece was not alone in using creative accounting to massage its numbers ahead of euro entry. It's been known for years that Italy and Portugal also took advantage of derivatives contracts to dress up their budget numbers in the late 1990s. And as Allister Heath of the CityAM newspaper reminded us, even France "bought" long-term pension obligations from France Telecom in exchange for an upfront payment of £4.7 billion ($7.1 billion) that helped pave its entry into the single currency.

> Europe finds scapegoats in derivatives and Goldman Sachs.

This is not to say that Greece's number-fudging was a good idea. But before we round up the Goldman croupiers who arranged this particular deal, we'd do well to remember that the Greeks weren't the only Europeans playing craps at the currency-swap table in the euro's early years. The EU's Eurostat knew enough about these deals to tighten the rules governing their accounting—albeit only after they had served their purpose. At the time, everyone was only too eager to look the other way in the drive to get the single currency up and running.

On the merits, there's certainly a case to be made for banning these sorts of transactions if they serve no purpose other than to obfuscate the government's fiscal position. Then again, if governments were under the same requirements as private companies of accounting in full for their long-term obligations as well as their cash-flow positions, the swaps would avail nothing. All they did was to shift the time-horizon of those liabilities.

Under a full and honest accounting of long-term liabilities, there's hardly a government in the developed world that would be considered solvent today. Which is why it's so much more convenient to blame the bankers.

These pages haven't hesitated to criticize Goldman Sachs in the past, but we can't remember anyone appointing the bankers on Broad Street the consciences of the world's profligate treasury departments, much less as gatekeepers of the single currency. When Italy's then-Prime Minister Romano Prodi miraculously achieved a four-percentage-point improvement in Italy's budget deficit in time to usher the country into the common currency, Italy's use of accounting gimmicks was widely discussed, and then promptly ignored.

There's no small irony in the fact that the same governments that once took advantage of derivatives peddled by international financiers to help conceal their true financial condition are now claiming to be the victims of the same banks' dealings in the derivatives market. But the blame-the-bankers theme in the nascent sovereign-debt panic is of a piece with the banker-baiting that came in the wake of the 2008-2009 financial crisis.

Once again, America's political class has been all too eager to find someone else to blame for its own economic mismanagement.

Burning Down the House

When Australian Prime Minister Kevin Rudd unveiled a massive 42 billion Australian dollar ($38 billion) stimulus package last year, he sold it as a far better response to recession than "to allow the free market to let rip." Now like other national leaders who sprayed out taxpayer cash, he's finding government may not be as efficient a savior as the market, after all.

For weeks, Mr. Rudd's Labor government has been under fire for mishandling a A$2.45 billion roof-insulation program funded under the 2009 stimulus package. The government promised to pay up to A$1,600 per home that lacked insulation. Canberra's number crunchers estimated 2.7 million homes would benefit, and Mr. Rudd couched it as a great way to create green jobs.

Australians rushed to the free-money bonanza. Over 1.1 million homes were insulated on the taxpayer dime. But it turns out that Canberra wasn't up to the task of properly supervising the rollout. Four people died installing the stuff, and faulty installations are allegedly linked to over 90 house fires. Auditors now estimate as many as 240,000 homes may need fixing, with some 1,000 at risk of having live electrical current running through their roofs.

> Australia's stimulus program has some unexpected side effects.

The Rudd government is now in full defensive mode and has suspended the program—but not without announcing a A$41 million cash outlay for now-unemployed installation workers. Mr. Rudd appeared on national television Thursday to give his mea culpa, removed Environment Minister Peter Garrett from overseeing the program, and installed long-time union friend and parliamentarian Greg Combet to clean up the mess.

And there's more. The Auditor General launched an inquiry Friday into a A$175 green loans program that promised to provide free energy assessments and interest-free loans, but is struggling to keep up with demand. Then there's the solar-panel rebate program that ended up A$850 million over budget.

None of this is a great surprise. Australia's green stimulus, like its American cousin, was always more about promoting liberal visions of wealth redistribution than actually spurring sustainable growth. Australians are now paying for Mr. Rudd's mistakes.

Guns and the States

The Supreme Court this week is the scene of a Constitutional duel in a case that will decide if the Second Amendment's guarantee of an individual right to bear arms applies to the states. The answer will determine whether the Court's landmark 2008 decision in *District of Columbia v. Heller* is a hollow legal anomaly, or if it extends nationwide.

In *McDonald v. Chicago*, the Justices will consider whether the Windy City's ban on handguns is Constitutional. Brought by plaintiffs including 76-year-old Otis McDonald, who wants to keep a handgun in his South Side home to protect himself from gangs, the question is similar to that in *Heller*, which challenged a handgun ban in the District of Columbia.

However, unlike Washington, D.C., which is governed directly by federal law, the challenge to Chicago's gun ban comes to the Court under the Constitution's 14th Amendment, which protects fundamental rights against infringement by the states.

In a basic sense, it's hard to believe the Court won't apply the Second Amendment to states. Over the past century, the Court has said that part or all of the First, Fourth, Fifth, Sixth and Eighth Amendments apply to the states. It would be bizarre for the same majority in *Heller* to now say that the Second Amendment is the Bill of Rights exception.

> The Supreme Court takes up another Second Amendment case.

One important question, however, is the reasoning the Court decides to use. The traditional path for applying the Bill of Rights to the states has been the Due Process Clause of the 14th Amendment, and that is what the National Rifle Association is mainly arguing in its brief in this case.

But some conservatives—including Justices Antonin Scalia and Clarence Thomas—have been highly critical of the legal doctrine known as "substantive due process," a contradiction in terms that can be a vehicle for judicial activism and inventing rights not found in the Constitution.

We share their skepticism when this means inventing new "substantive" rights. But the Second Amendment is not new. By now the Court has spent a century using the Due Process Clause to apply the Bill of Rights to the states, so this is hardly activist legal territory or some great expansion of due process law. This is the judicially restrained path to applying *Heller* to the states.

Meanwhile, some supporters of Mr. McDonald want the Court to go further and use the Privileges and Immunities Clause of the 14th Amendment to apply *Heller* to the states. That clause states that "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States."

In the 1873 *Slaughter-House Cases*, the Court ruled that the clause did not safeguard the Bill of Rights against state laws. That decision has long been criticized on the right and left, and many libertarians would like to rehabilitate that clause as a way to protect property rights against overreaching state laws. We also wish the Court protected property rights more than it has in the likes of the notorious 2005 *Kelo* decision, but the Justices don't need the Privileges and Immunities Clause to do so. They can use the Takings Clause, among others.

If the Privileges and Immunities Clause does become an engine to discover rights in the Constitution, liberals are likely to use it for far more than protecting property. A liberal majority could soon cite it as a precedent to assert a "right" to health insurance, or welfare, or a certain level of income. No less a legal activist than President Obama has lamented that such a right to economic redistribution has not been heretofore located in the Constitution's text.

The Justices needn't go this far afield to find that the individual right to bear arms that they correctly upheld in *Heller* applies to the entire country. If the First Amendment's right to free speech applies to the states, then so does the Second Amendment.

Letters To The Editor

* * *

Universal Suffrage is Not a Panacea

Regarding Alan Leong's op-ed "Quantifying Hong Kong's Democratic Desires" (Feb. 9): The recent "Five District Referendum Movement" may not have the support of the general public of Hong Kong as Mr. Leong claims. In the three months since the plan was announced by the coalition of Mr. Leong's Civic Party and the League of Social Democrats, opinion polls conducted by various independent agencies have shown overwhelming majorities against the plan.

To reach their goal of universal suffrage, the Civic Party and other pan-democratic parties have demonized the government and big corporations during the last few years, creating a Cultural Revolution-like atmosphere. These tactics try to turn the people against the government and push hard to polarize the society. All economic, political or social problems, however miniscule, get magnified, exaggerated and twisted—and blamed on the Hong Kong government with the fallacy that universal suffrage would solve everything.

Universal suffrage is only a process, not the end goal. Politicians have yet to paint the picture of what Hong Kong will be like after universal suffrage and how they envision an elected government and lawmakers would run the territory: whether Hong Kong will become a more harmonious society and a land of opportunities; or become a welfare society and a revolutionary center, a prospect which neither the Hong Kong people nor the Chinese government relish. Unfortunately, Mr. Leong's party and their radical actions have not helped quell the anxiety of many Hong Kong people.

Kenneth Kung
Hong Kong

* * *

A Forgotten Comparison

Tom Nagorski's review of Ted Morgan's book, "Valley of Death" ("The French Connection," Weekend Journal Asia, Feb. 26-28) makes entertaining reading—for anyone unfamiliar with Vietnam's recent history. But for everyone else, the first thing they want to know about a new book on Dien Bien Phu is how it compares with Bernard B. Fall's classic, "Hell in a Very Small Place" (Lippincott, 1966).

It is hard to believe that Mr. Nagorski could review "Valley of Death" without a single reference to the work of the French-born historian-journalist. Mr. Morgan has produced his account more than four decades after the late Mr. Fall's book appeared to widespread acclaim, and has written at blockbuster length: 722 pages.

Is Mr. Morgan's enterprise justified? Has he been able to uncover significant new material, and do his conclusions about the siege differ in important respects from Mr. Falls'? I'm left wondering.

Barry Wain
Singapore

* * *

Shed No Tears for Muhammad al-Mabhouh

According to Ronen Bergman's "Israel and the Dubai Murder Mystery" (op-ed, Feb. 22), Muhammad al-Mabhouh abducted and killed two Israeli soldiers in 1987, became a central figure in Hamas fund raising, a key co-ordinator of Hamas-Iran cooperation, organized weapons shipments to Gaza and arranged for Hamas "fighters" to be trained by the Revolutionary Guard at a facility outside Tehran.

Clearly, al-Mabhouh was a lethal Islamic warrior—dedicated to killing us and destroying Western civilization, using methods that flagrantly violate all the laws of war. He was an outlaw, in the truest sense of the word, beyond the protection of the law. Bravo for a small victory, assuming that it was Israeli or Western agents who did him in. Mr. Bergman admits that apart from reports by Dubai police, he has no idea how al-Mabhouh died. Of course, the Dubai police blame Mossad. Who else do they ever blame?

What is most dismaying is that Mr. Bergman and many others seem intent on treating this small victory, not as an act of war, but as a murder mystery and a "diplomatic nightmare." This is an example of the dangerous unreality of the Eric Holder mentality, which denies that radical Islamists are waging a terrorist, unconventional war against the West. The mentality that can transform the killing of al-Mabhouh into a crime and a setback for the West is as great a danger to us as are Iranian nuclear weapons.

Martin E. Weinstein
Missoula, Mont.

A generation earlier, when the Mossad captured Nazi murderer Adolf Eichmann in Argentina, he was drugged and smuggled out to Israel. Should the Mossad first have cleared the move with Argentine officials?

Ron Rubin
Bronx, N.Y.

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How Chile Was Saved

[Global View]

By Bret Stephens

Milton Friedman has been dead for more than three years. But his spirit was surely hovering protectively over Chile in the early morning hours of Saturday. Thanks largely to him, the country has endured a tragedy that elsewhere would have been an apocalypse.

Earthquake magnitudes are measured on a logarithmic scale. The earthquake that hit Northridge in 1994 measured 6.7 on the Richter scale. But its seismic-energy yield was only half that of the 7.0 quake that hit Haiti in January, which was the equivalent of 2,000 Hiroshima-sized bombs exploding all at once.

By contrast, Saturday's earthquake in Chile measured 8.8. That's nearly 500 times more powerful than Haiti's, or about one *million* Hiroshimas. Yet Chile's reported death toll—711 as of this writing—was a tiny fraction of the 230,000 believed to have perished in Haiti.

It's not by chance that Chileans were living in houses of brick—and Haitians in houses of straw—when the wolf arrived to try to blow them down. In 1973, the year the proto-Chavista government of Salvador Allende was overthrown by Gen. Augusto Pinochet, Chile was an economic shambles. Inflation topped out at an annual rate of 1000%, foreign-currency reserves were totally depleted, and per capita GDP was roughly that of Peru and well below Argentina's.

What Chile did have was intellectual capital, thanks to an exchange program between its Catholic University and the economics department of the University of Chicago, then Friedman's academic home. Even before the 1973 coup, several of Chile's "Chicago Boys" had drafted a set of policy proposals which amounted to an off-the-shelf recipe for economic liberalization: sharp reductions to government spending and the money supply; privatization of state-owned companies; the elimination of obstacles to free enterprise and foreign investment, and so on.

In left-wing mythology—notably Naomi Klein's tedious 2007 screed "The Shock Doctrine"—the Chicago Boys weren't just strange bedfellows to Pinochet's dictatorship. They were complicit in its crimes. "If the pure Chicago economic theory can be carried out in Chile only at the price of repression, should its authors feel some responsibility?" wrote New York Times columnist Anthony Lewis in October 1975. In fact, Pinochet had been mostly indifferent to the Chicago Boys' advice until the continuing economic crisis forced him to look for some policy alternatives. In March 1975, he had a 45-minute meeting with Friedman and asked him to write a letter proposing some remedies. Friedman responded a month later with an eight-point proposal that largely mirrored the themes of the Chicago Boys.

Milton Friedman

For his trouble, Friedman would spend the rest of his life being defamed as an accomplice to evil: at his Nobel Prize ceremony the following year, he was met by protests and hecklers. Friedman himself couldn't decide whether to be amused or annoyed by the obloquies; he later wryly noted that he had given communist dictatorships the same advice he gave Pinochet, without raising leftist hackles.

As for Chile, Pinochet appointed a succession of Chicago Boys to senior economic posts. By 1990, the year he ceded power, per capita GDP had risen by 40% (in 2005 dollars) even as Peru and Argentina stagnated. Pinochet's democratic successors—all of them nominally left-of-center—only deepened the liberalization drive. Result: Chileans have become South America's richest people. They have the continent's lowest level of corruption, the lowest infant-mortality rate, and the lowest number of people living below the poverty line.

Chile also has some of the world's strictest building codes. But having codes is one thing, enforcing them is another. The quality and consistency of enforcement is typically correlated to the wealth of nations. The poorer the country, the likelier people are to scrimp on rebar, or use poor quality concrete, or lie about compliance. In the Sichuan earthquake of 2008, thousands of children were buried under schools also built according to code.

In "The Shock Doctrine," Ms. Klein titles one of her sub-chapters "The Myth of the Chilean Miracle." In her reading, the only thing Friedman and the Chicago Boys accomplished was to "hoover wealth up to the top and shock much of the middle class out of existence." Actual Chileans of all classes—living in the aftermath of an actual shock—may take a different view of Friedman, who helped give them the wherewithal first to survive the quake, and now to build their lives anew.

Write to bstephens@wsj.com

A Burma Plan for Mr. Obama

By Aung Din

The news from Burma, my home country, seems to only go from bad to worse. Last week, Nobel Peace Prize winner Aung San Suu Kyi was denied yet another appeal and will remain under house arrest. Last month, Burmese-American human-rights activist Kyaw Zaw Lwin, also known as Nyi Nyi Aung, was sentenced to three years in prison on trumped up fraud and forgery charges.

This past July, President Obama signed into law the Burma Sanctions Renewal Act, which extended strict sanctions on the country's military junta for three more years. But the administration must also be careful that its policy of "pragmatic engagement" with Burma's military rulers does not legitimize a fundamentally corrupt regime.

Than Shwe, the senior general who heads the junta, has promised to hold nationwide elections this year, the first since Ms. Suu Kyi and her National League for Democracy's landslide victory in 1990 elections—which were nullified by the military. But the election will be a sham.

Ms. Suu Kyi, her supporters, and many of Burma's long-persecuted ethnic groups, including the Karen, Karenni and Shan, are rightfully refusing to participate in this charade unless the regime amends the constitution to allow for free and fair elections, a legitimate civilian government and equal rights and representation for all ethnic groups.

But first the regime must release its thousands of political prisoners, including hundreds of monks who took part in the 2007 antigovernment protests known as the Saffron Revolution.

Thus far, however, Gen. Than Shwe has been employing his usual mix of violence, brutality and war. He's rounding up and arresting opposition members and increasing his assault on the Karen and other ethnic minorities, displacing more than 75,000 people in Karen State in eastern Burma in 2009 alone.

The answer lies in placing collective pressure on the regime to engage in meaningful and time-bound dialogue with Ms. Suu Kyi, her party, and the leaders of Burma's ethnic minorities. Failing that, the U.S. should take the lead in organizing a global arms embargo against the regime, and establish a United Nations commission of inquiry to investigate war crimes and crimes against humanity.

This will require Mr. Obama's strong leadership and commitment. His Burma policy objectives are sound: the release of all political prisoners, an end to conflict with ethnic minorities, accountability for human-rights violators, and genuine dialogue among all stakeholders.

Mr. Obama should appoint a U.S. policy coordinator for Burma, legislatively mandated by Congress since 2008. He should also urge the European Union to join with the United States, Canada and Australia in imposing targeted financial and banking sanctions against the generals, their families and their crony business partners. He should also remind the Association of Southeast Asian Nations that it needs to put serious diplomatic pressure on the regime for a negotiated settlement.

Mr. Obama's presidency is the product of the blood spilled and courage displayed by American freedom fighters and civil-rights activists barely a generation ago. Our hope is that he recognizes their sacrifices by supporting the Burmese people with decisive action. He could start by demanding the release of Ms. Suu Kyi and American human-rights activist Kyaw Zaw Lwin.

Aung Din was a political prisoner in Burma between 1989 and 1993. He is now the executive director of the Washington, D.C.-based U.S. Campaign for Burma.

OPINION

China's Congressional Concerns

By Willy Lam

While China's National People's Congress is a rubberstamp legislature, its annual plenary session—which kicks off Friday—affords a good window into the thinking of the nontransparent Chinese Communist Party elite. This year's theme is the economy, stupid.

The economy will dominate an annual political meeting this week. But how much can the Party really do?

That in itself isn't new, but the economic focus is shifting. While the 2009 NPC harped on attaining an 8% growth rate, the priority for this year's session is to ensure a more equitable distribution of national income. In a talk with China's netizens last week, Premier Wen Jiabao said "while it is the government's responsibility to expand the 'pie' of national wealth, it is the government's conscience to distribute it in an adequate manner." Mr. Wen warned that "if wealth in a society is concentrated in a minority of people, this society will be neither just nor stable."

The use of the word "stable" is significant. Apparently the Party is starting to worry that if income inequality grows too wide it could lead to greater disaffection with Party rule. So while Beijing has talked about distributive justice since the mid-2000s, the leadership under President Hu Jintao seems motivated by a higher sense of urgency this time. In a recent speech, Mr. Hu used the phrase "speed up" 50 times as he urged cadres to move faster on issues such as going up the technological chain, encouraging consumer spending and buttressing the income of workers and peasants.

Parts of what the Chinese media call a "new deal" have already been announced. The government raised the minimum wage in cities from Beijing to Guangzhou by 10% or more early this year. The Wen cabinet has indicated that old-age benefits for peasants will be tried out this year and will be made available to all by 2015. The Health Ministry said last week that hospital fees—particularly for prescription drugs—would be reduced in 16 cities. And the Education Ministry promised that by 2010, the government would finally achieve the goal—first stated in 1993—that spending on education would reach 4% of GDP.

The NPC will be Beijing's platform for unveiling more such proposals. Goodies for the fast-rising "middle class," which makes up 23% of the population, are in the works. Beijing has pledged to cool down runaway real-estate prices, which have the past year surged by some 30% along the prosperous coastal rim. So far, 20-odd cities have vowed to build more "welfare housing" for lower-income groups. Policies to help China's disaffected "post-1980s generation"—who find it hard to cope with the high costs of urban living—may also be announced at the Congress.

The big question is whether all

David G. Klein

this is more than merely a case of "trickle down with Chinese characteristics." While peasants are beginning to enjoy various types of welfare that were formerly reserved for city residents, there is a big discrepancy between urban and rural entitlements. Old-age payouts for peasants are only 55 yuan ($8.06) a month, while pensions for retired urban workers are about 20 times higher.

More significantly, critics say that the Hu-Wen team has not addressed the systemic and institutional ills that underpin social injustice. The 52-year-old *hukou*, or residence permit, system, which prevents farmers from permanently settling in the cities, has remained intact. Laborers and peasants are not allowed to form workers' or farmers' unions, which are the only mechanisms through which these underclasses can negotiate higher salaries or better prices for agricultural produce. A key reason why property prices keep going up is that developers enjoy cozy ties with senior cadres and their children.

That has political consequences that must worry the Party. According to Chinese Academy of Social Sciences scholar Yu Jianrong, social unrest has worsened because the level of exploitation has increased. For example, farmers in the past merely had to contend with taxes and levies. Now, Mr. Yu said in a recent speech in Beijing, "corrupt officials are grabbing rural plots of land with the help of criminal gangs." The respected agronomist added that social justice remained illusory because "the CCP has monopolized—and is closely guarding—all political power."

The NPC's composition testifies to authorities' refusal to even allow different voices to be heard. The great majority of the 2,987 deputies are current or retired officials; roughly 70% are senior Party members. The handful of *bona fide* "people's representatives" are marginalized. Hu Xiaoyan, in 2008 the first migrant worker ever to have been appointed to the NPC, told the media that she was frustrated about her titular position. "I have this [legislative] position but no power," she said. "All I can do is to get worried—but to no avail."

If the Party can't adequately address these economic concerns, it may stir up nationalist sentiments as a substitute solution. Recently, a number of People's Liberation Army hawks made international news by urging the Party leadership to dump China's holdings of American government bonds so as to "teach the United States a lesson." The PLA, which is given 9% of all legislative slots, has often used the NPC platform to clamor for bigger budgets as well as a larger say in foreign affairs. This year the defense budget is likely to be increased by a margin that is even higher than the 14.9% increase awarded a year ago.

Beijing always hopes its NPC will present a pleasing photo-op of a secure leadership doing its best to improve life for the people it governs. This year it will benefit from the lifting of the global economic cloud that hung over last year's session. But the leadership is hardly out of the woods.

Mr. Lam is a professor of China studies at Akita International University, Japan, and an adjunct professor of history at the Chinese University of Hong Kong.

India's Aspiring English Speakers

By Sadanand Dhume

Bangalore

At 8 p.m. on a Saturday, Rajeev Chamoli could be glued to a television screen watching cricket, or out with friends at one of this city's many pubs. Instead, Mr. Chamoli, a 27-year-old software programmer, sits under a ceiling fan in a boxy classroom practicing his English along with five other students. "I would say I'm a very positive attitude guy," says Mr. Chamoli in response to a teacher's question. "I have an aggressive personality."

Mr. Chamoli is emblematic of the ambition coursing through an increasingly prosperous India, and of the importance of English for those chasing the middle-class Indian dream. The grandson of a village milkman in the Himalayan foothills, and the son of a noncommissioned officer in the Indian army, the young programmer is the first person in his family to speak the language. As a native Hindi speaker who grew up in a small town in the tiny northern state of Uttarakhand, Mr. Chamoli is keenly aware of the edge that English fluency offers in a globalized and competitive workplace.

"In Bangalore, knowing English is equal to having food," he says. "If you don't have English you can't survive in your job."

The programmer's story also shows how English is no longer the preserve of a small upper crust, the sort of people who once nibbled moist cucumber sandwiches at the Delhi Gymkhana Club. According to David Crystal, author of the Cambridge Encyclopedia of the English Language and a professor of linguistics at the University of Wales, about 350 million Indians can claim some degree of familiarity with the language, or "the ability to carry on an everyday conversation on domestic topics, disregarding occasional errors of production."

Fluency, however, is another matter; the British Council ascribes it to only 5% of India's population, or about 55 million people. Outside the big cities, many schools that claim to teach in English in fact offer their students only the bare basics. It is from this vast pool—those notionally familiar with English but lacking the ability to speak it with any confidence—that scores of private institutes recruit students.

Though aggregated data is hard to come by—the industry is dominated by hole-in-the-wall operators rather than by a few big players—anecdotal evidence suggests an explosion in enrollment. Arjun Majumdar, a co-owner of English Centre, where Mr. Chamoli studies six nights a week, estimates that his institute teaches about 25,000 students a year, up from 3,000 15 years ago. The Centre, the largest of its kind in Bangalore, now boasts 14 branches in the city, as well as others in Kolkata (Calcutta) and Chennai (Madras). Mr. Majumdar estimates the size of the national market at between 500 million and 1 billion rupees ($11-22 million), a five-fold increase in a decade and a half. Students like Mr. Chamoli pay between 1,100 and 2,400 rupees for 45 hours of class time spread over five weeks.

No longer the preserve of colonial masters, it's the language uniting—not dividing—the country.

In the brave new world of English in India, the emphasis is not on Shakespeare and Keats but on elementary etiquette—called "personality development" in industry jargon—and practical skills for getting ahead. Mr. Chamoli says he doesn't have the time to read a novel. His teachers focus on verbal rather than written skills. The fastest growing part of Mr. Majumdar's business involves providing specialized training for job seekers and young professionals. "They need to know how to behave in an interview or how to polish a resume," he says. "Some of them want to know how to write emails."

For India, a former British colony where English has long been an emotive issue, this no-nonsense approach toward the former master's tongue is welcome. Last year, a barrage of criticism forced Mulayam Singh Yadav, a powerful anti-English politician from the northern state of Uttar Pradesh, to clarify to reporters that he was opposed to English becoming a "compulsion" in public life, but didn't seek to ban its use. (Mr. Yadav educated his son in Australia.)

Nagaraj Vatal, a rabble-rousing Bangalore politician who once led protests against city signs in English, has all but disappeared from public view. Two years ago, Prime Minister Manmohan Singh and Britain's Gordon Brown agreed to have the British Council train 750,000 Indian English teachers. More than ever, English is entrenched as the language of India's business and intellectual elites.

Indian business leaders tend to frame the importance of English in purely economic terms, as a symbol of a once autarkic country participating in the global economy, and one of the few areas where India leads neighboring China. But while the importance of the language to India's economic prospects in general—and to the export-driven information technology and outsourcing sectors in particular—can scarcely be exaggerated, a wider embrace of English promises political benefits as well.

To put it simply, India's modernization will be driven not by Hindi- and Tamil-speaking villagers, but by the English-speaking middle classes. They are also the most likely to adopt a truly national identity rather than one defined primarily by region, caste and religion. For the longest time, the upper class monopoly on English ensured that the language issue divided the country at least as much as it united it. But as Mr. Chamoli—a newly English-speaking north Indian making his way in a southern city—shows, India's old class-based language divide is best looked at in the rearview mirror.

Mr. Dhume, the author of "My Friend the Fanatic" (Skyhorse Publishing, 2009), is a columnist for WSJ.com.

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IN DEPTH

The current state of spycraft: a well-framed assassination

Stepped-up surveillance technology may be tipping the scales in the game between spies and their targets

By Robert Baer

It was a little after 9 p.m. when a Palestine Liberation Organization official stepped out of the elevator into the lobby of Paris's Le Meridien Montparnasse, a modern luxury hotel that caters to businessmen and well-heeled tourists. The PLO official was going to dinner with a friend, who was waiting by the front desk. As they pushed out the Meridien's front door, they both noticed a man on a divan looking intently at them. It was odd enough that at dinner they called a contact in the French police. The policeman advised the PLO official to go directly back to the hotel after dinner and stay put. The police would look into it in the morning.

When the PLO official and his friend came back from dinner, the man on the divan was gone, and the Meridien's lobby was full of Japanese tourists having coffee after a night on the town. From here the accounts differ; in one version, a taxi blocked off traffic at the end of the street that runs in front of the Meridien, apparently to hold up any police car on routine patrol. In another, the traffic on the street was light.

What is certain is that as soon as the PLO official stepped out of the passenger side of the car, two athletic men in track suits came walking down the street, fast. One of them had what looked like a gym bag. When the friend of the PLO official got out of the car to say goodbye, he noticed the two but didn't think much of it. They looked French, but other than that it was too dark to see more.

One of the men abruptly lunged at the PLO official, pinning him down on the hood of the car. According to the PLO official's friend, one of the men put his gym bag against the head of the PLO official and fired two quick rounds into the base of his neck, killing him instantly. There was a silencer on the weapon. The two fled down the street and disappeared into an underground garage, never to be seen again.

That was 1992. And the world of assassins has changed a lot in the intervening years. I knew the PLO official, and his assassins have yet to be found. Israel's Mossad security agency was quickly assumed to be behind the killing. Israel had accused the PLO official of having been a member of Black September, and his assassination seemed to be the last in an Israeli campaign to hunt down the perpetrators of the 1972 Munich Olympic attack. So far so good, but unable to identify even the nationality of the assassins, the French could do nothing but grumble. With no casings from the pistol found, no closed-circuit TV coverage in front of the Meridien, and no good description of the assassins the French could not even send a strong diplomatic protest to the Israelis. If Israel indeed assassinated the PLO official, it got away with it cleanly.

Fast forward 18 years to the assassination of Hamas military leader Mahmoud al-Mabhouh on Jan. 20, and it is a graphic reminder of just how much the world has changed. Nearly the entire hit was recorded on closed-circuit TV cameras, from the time the team arrived at Dubai's airport to the time the assassins entered Mr. Mabhouh's room. The cameras even caught team members before and after they donned their disguises. The only thing the Dubai authorities have been unable to discover is the true names of the team. But having identified the assassins, or at least the borrowed identities they traveled on, Dubai felt confident enough to point a finger at Israel. (Oddly enough several of the identities were stolen from people living in Israel.)

Dubai had on its side motivation—Mr. Mabhouh had plotted the kidnapping and murder of two Israeli soldiers and reportedly played a role in the smuggling of Iranian arms into Gaza. And none of this is to mention that the Mabhouh assassination had all the hallmarks of an Israeli hit: a large team, composed of men and women, and an almost flawless execution. If it had been a Russian hit, for instance, they would have used a pistol or a car bomb, indifferent to the chaos left behind.

After Dubai released the tapes, the narrative quickly became that the assassination was an embarrassing blunder for Tel Aviv. Mossad failed spectacularly to assassinate a Hamas official in Amman in 1997— the poison that was used acted too slowly and the man survived—and it looks like the agency is not much better today. Why were so many people involved? (The latest report is that there were 26 members of the team.) Why were identities stolen from people living in Israel? Why didn't they just kill Mr. Mabhouh in a dark alley, one assassin with a pistol with a silencer? Or why at least didn't they all cover their faces with baseball caps so that the closed-circuit TV cameras did not have a clean view?

The truth is that Mr. Mabhouh's assassination was conducted according to the book—a military operation in which the environment is completely controlled by the assassins. At least 25 people are needed to carry off something like this. You need "eyes on" the target 24 hours a day to ensure that when the time comes he is alone. You need coverage of the police—assassinations go very wrong when the police stumble into the middle of one. You need coverage of the hotel security staff, the maids, the outside of the hotel. You even need people in back-up accommodations in the event the team needs a place to hide.

I can only speculate about where exactly the hit went wrong. But I would guess the assassins failed to account for the marked advance in technology. Not only were there closed-circuit TV cameras in the hotel where Mr. Mabhouh was assassinated and at the airport, but Dubai has at its fingertips the best security consultants in the world. The consultants merely had to run advanced software through all of Dubai's digital data before, during and after the assassination to connect the assassins in time and place. For instance, a search of all cellular phone calls made in and around the hotel where Mr.

Robert Baer, a former CIA field officer assigned to the Middle East, is the author of "See No Evil" and "The Devil We Know: Dealing with the New Iranian Superpower."

Footage from closed-circuit TV cameras showed the activity of some of the suspects before, during and after the death of Mahmoud al Mabhouh.

13:37 A suspect checks out of an unidentified hotel in Dubai.
13:45 The suspect arrives at a second hotel, where he disguises himself.
15:25 Mr. Mabhouh arrives at the Al Bustan Rotana hotel, where the killing took place.
15:30 Mr. Mabhouh, bottom, is followed on his way to his room by two suspects in tennis clothing.
15:30 At the same time, another suspect is seen using a special communication device.
18:32 Two of the alleged execution team arrive at the Al Bustan.
20:27 Two suspects monitor the hall as the execution team acts.
20:46 Two of the alleged execution team leave Mr. Mabhouh's floor.
gntv

NOTE: Footage provided by the Dubai government to Gulf News, a Dubai-based newspaper

GNTV/Sipa Press (8); Image Source/Getty Images (Science)

IN DEPTH

Mabhouh was assassinated would show who had called the same number—reportedly a command post in Vienna. It would only be a matter then of tracking when and where calls were made from these phones, tying them to hotels where the team was operating or staying. Not completely understanding advances in technology may be one explanation for the assassins nonchalantly exposing their faces to the closed-circuit TV cameras, one female assassin even smiling at one. They mistook Dubai 2010 for Paris 1992, and never thought it would all be tied together in a neat bow. But there is no good explanation why Israel, if indeed it was behind the assassination, underestimated the technology. The other explanation—the assassins didn't care whether their faces were identified—doesn't seem plausible at all.

When I first came into the CIA as a young field operative, there was an endless debate about whether assassinations were worthwhile. The CIA was humiliated by its failed attempts to kill Fidel Castro in the early 1960s, and embarrassed by the accusation that it was complicit in the murder of Chile's President Salvador Allende in 1973.

In the mid-1970s the Church-Pike committees investigating the CIA put an end to CIA assassinations. Since then every CIA officer has been obligated to sign Executive Order 12,333, a law outlawing CIA assassinations. It had—at least until 9/11—a chilling effect on every thing CIA operatives did, from the informants they ran to the governments they dealt with. I myself ran afoul of E.O. 12,333.

In March 1995 I was brought back from northern Iraq, accused of having tried to assassinate Saddam Hussein. It was true there had been a running fight between the Kurds and Saddam's army in the north, but if there had been a real attempt on Saddam's life I wasn't aware of it. And neither was the FBI, which was ordered by the White House to investigate the CIA for an illegal assassination attempt. The lesson I walked away with was that the word assassination terrified the White House, more than even Saddam. And as far as I can tell, it still does to a degree. Post-9/11 the CIA got back into the assassination business, but in a form that looks more like classic war than the Hollywood version of assassination. The CIA has fired an untold number of Hellfire missiles at al Qaeda and Taliban operatives in the mountains between Pakistan and Afghanistan. One of its most spectacular assassinations was that of Baitullah Mehsud, the leader of Pakistan's Taliban, last year. In addition to the intended targets, thousands of other people have been killed. What strikes me, and what makes it so different from the assassination of the PLO official in Paris and Mr. Mabhouh in Dubai, is that the assassinations are obscured by the fog of war. Western TV cameras are not allowed in to film the collateral damage, and that's not to mention we're all but at war with Pakistan's Pashtun who live in these mountains.

Israel's conflict in the West Bank and Gaza is less than clear cut in the sense that Israel is not at war with the Palestinians, or even really with Hamas. It's at war with Hamas militants, people who have shed Israeli blood. The Israelis know who they are, and as a matter of course send hit squads into Gaza and the West Bank to kill them. The Israelis call it "targeted killings"—assassination by any other name.

A couple of years ago I visited the house where the Israeli military assassinated a Palestinian militant in the West Bank. It was in a makeshift refugee camp, where you could touch houses on both sides of the path only by raising your arms. The place was teeming with people. How the Israeli team got in, assassinated the militant and got out without any casualties, I will never know. The point is that the Israelis have become very good at it. If in fact Mossad assassinated Mr. Mabhouh in Dubai, it no doubt modeled its planning on targeted killings in Palestinian areas—with the use of overwhelming force, speed and control of the environment. The problem with Dubai, which should be painfully obvious to Tel Aviv, is that it is not the West Bank. Nor is Paris now with its web of closed-circuit TV cameras and the ability of the French to track prepaid telephones. The art of assassination, the kind we've seen over and over again in Hollywood movies, may be as passé as killing people by arsenic or with a garrote. You just can't get away with it anymore.

(Top to bottom) Agence France-Presse/Getty Images; United Press International

Some of the identity photographs of suspects in the killing of Mahmoud al Mabhouh released by the Dubai police on Wednesday, above. A rally against the assassination of Mr. Mabhouh, right.

In America's war on terror, there has been a conspicuous absence of classical assassination. The closest thing to it was when the CIA kidnapped an Egyptian cleric in Milan and rendered him to Egypt in 2003. Most of the CIA agents behind the rendition were identified because, like the assassins in Dubai, the agents apparently did not understand that you can't put a large team on the ground in a modern country and not leave a digital footprint. It took a matter of days for the Italian prosecutors to trace their supposedly sterile phone to their hotels, and from there to their true-name email accounts and telephone calls to family. We might as well have let Delta Force do it with helicopters with American insignia on the side.

Israel has yet to feel the real cost of the hit in Dubai. But the longer it's covered in the press, the higher the cost. And was Mr. Mabhouh worth it? Other than taking revenge for killing the two Israeli soldiers, he will be quickly replaced. Arms dealing is not a professional skill, and as long as Hamas's militants are at war with Israel they will find people to buy arms and smuggle them into Gaza. In short, it's looking more and more like Mr. Mabhouh's assassination was a serious policy failure.

In cold prose, it sounds inhuman, but there should be a cost-benefit calculation in deciding whether to assassinate an enemy. With all of the new technology available to any government who can afford it, that cost has gone up astronomically. Plausible deniability is out the window. Obviously, if we had known with any specificity 9/11 was coming, we would have ignored the high cost and tried to assassinate Osama bin Laden. And there's certainly an argument to be made that we should have assassinated Saddam Hussein rather than invade Iraq. The bottom line, it seems to me, is that assassination is justified if it keeps us out of a war. But short of that, it's not. The Mabhouhs of the world are best pursued by relentless diplomatic pressure and rule of law.

I can only speculate about where exactly the hit went wrong. But I would guess the assassins failed to account for the marked advance in technology. Not only were there closed-circuit TV cameras in the hotel where Mr. Mabhouh was assassinated and at the airport, but Dubai has at its fingertips the best security consultants in the world.

FROM PAGE ONE

Apple files patent lawsuit against HTC

Associated Press

Apple says several of HTC's devices, including the Nexus One, above, infringe on the U.S. company's patents.

Continued from first page

named as a defendant in the suit.

"Apple's flexing their intellectual property muscle," said Mark Kesslen, who runs the patent practice at law firm Lowenstein Sandler PC. "HTC seems to be a getting a lot of play in this space," Mr. Kesslen said. The suit "is a way to slow it down."

Android has seen its share of the market for smart-phone operating systems reach 3.9% in 2009, up from less than 1% a year earlier. Symbian, used by **Nokia** Corp., had the highest share with 47%; **Research In Motion** Ltd. had 20% and Apple's iPhone software was at 14.4%.

Apple's lawsuit against HTC underscores the competitive environment facing smart-phone makers, both in the courtroom and the marketplace. The white-hot market has drawn a number of different players, and patent lawsuits have followed. While Apple's iPhone remains the most high-profile device, many rivals are nipping at its heels.

Apple itself—as well as BlackBerry maker RIM—in January were hit with claims that their phones infringe on Eastman Kodak Co.'s digital-imaging technology. Motorola Inc. has sued RIM over certain features such as Wi-Fi access.

In December, Apple countersued Nokia, accusing the world's biggest handset maker of infringing on 13 of its patents. Apple was responding to a lawsuit filed by Nokia in October in a U.S. court that alleged the iPhone infringed on 10 of its patents.

Apple's ITC case against HTC is likely to proceed before the suit in federal court. Technology companies often turn to the ITC because it can come to a decision faster than the traditional federal court system. An ITC trial can come as quickly as 14 to 16 months after a complaint, while district courts tend to wait years before a judge hears the case.

Greece plans to outline new austerity measures

Continued from first page

low the EU's 3% limit by 2012.

To meet those goals, the government outlined in January a series of spending cuts and tax increases that it said would result in some €8 billion to €10 billion in savings and additional revenue.

So far, those measures include a freeze on civil service wages, cutting public-sector entitlements by 10% on average, a fuel tax increase, as well as closing dozens of tax loopholes for certain professions—including some civil servants—who now pay less than their fair share in taxes.

But Greece's European partners are unconvinced. Since the EU issued its rhetorical support for Greece Feb. 12, EU members like Germany and France, as well as others, have demanded that Greece take further steps to close its budget gap before they would commit to any specific financial support for the country.

According to the first official, the new package is likely to include an increase in the current value-added tax rate of 19% by two percentage points, more cuts in civil service entitlements, a freeze in pensions and higher duties on luxury items, like boats and expensive cars.

The EU has also asked Athens to cut one of two extra months of pay that public-sector workers now get over and above their normal 12-month salary—a move the government is resisting.

The new bond deal is widely seen as a test of the Greek government's ability to raise money in capital markets to finance its operations and retire old debt.

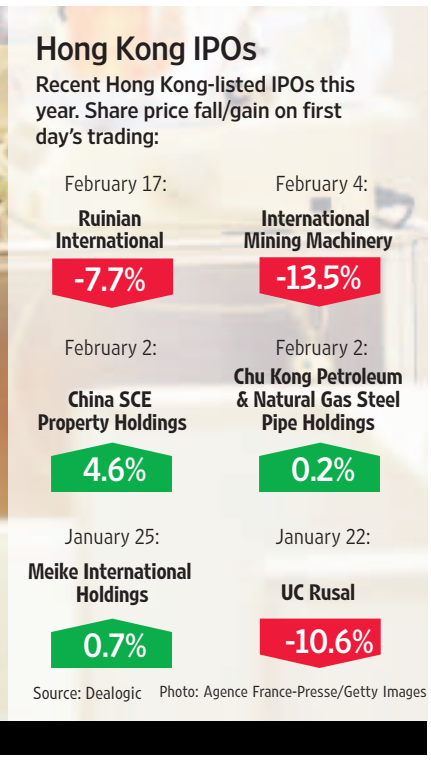
Greece needs to borrow €54 billion this year and has raised €14 billion. It wants its EU partners to ask state banks to buy Greek debt.

—Alkman Granitsas in Athens contributed to this article.

Associated Press

Taxi drivers demonstrate outside Greece's finance ministry during their 48-hour strike in Athens Tuesday.

Chinese car dealer halts US$1 billion Hong Kong IPO



Traders work at the Hong Kong Stock Exchange last month.

Continued from first page

Morgan Stanley and **UBS** AG are advising on the deal, the person added.

Investors have also been coping with falling markets and IPO fatigue in recent weeks, as well as weak trading debuts. So far this year, Hong Kong has been home to US$3.58 billion in new listings, compared with the US$183 million in IPOs in the same period last year, which was at the height of the financial crisis, according to data provider Dealogic.

Canadian mining company SouthGobi Energy Resources Ltd.'s Hong Kong listing in January raised US$442 million and International Mining Machinery Ltd. raised US$327 million in a February IPO.

But the two, like Rusal, have posted lackluster performances in trading since going public. Rusal, the first Russian listing in the city, closed Tuesday at 29% below its offer price, International Mining Machinery ended 14% below, while Mongolia-focused SouthGobi was down 3% from its IPO price.

Chinese offerings in Shanghai have also come out of the gate weaker than expected in many cases. That reflects worry that Beijing could act to cool the property market and other frothy markets on the Chinese mainland with restrictions on lending and other moves to withdraw the stimulus enacted since the 2008 financial crisis.

Investors have been coping with falling share markets and fatigue surrounding initial public offerings, as well as weak debuts from new stock-market listings.

The largest potential IPO in Hong Kong this year, the US$15 billion IPO of American International Assurance, AIG's Asian unit, instead became a casualty of AIG's decision to sell AIA to Prudential for US$35.5 billion.

As of 11 a.m. ET **Euro** 1.3561 ▲ 0.61% **Yen/US$** ¥89.00 ▼ 0.45% **Yen/A$** ¥80.40 ▲ 0.03% **Oil** 79.88 ▲ 1.50% **Gold** 1132.10 ▲ 1.28% **10-year Treasury** ▼ 10/32 yield 3.642% **3-month Libor** 0.25194

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U.S. holds third Toyota hearing

Government may require brake-override system, transportation chief tells Senate; car maker creates quality panel

By Josh Mitchell

WASHINGTON—The Obama administration is considering a proposal to require that all U.S. vehicles be equipped with special brake technology that ensures a car will stop when both the gas pedal and brakes are activated, U.S. Transportation Secretary Ray LaHood said Tuesday.

Mr. LaHood was responding to a question by U.S. Sen. Jay Rockefeller (D., W.Va.) during a hearing Tuesday on the safety crisis at **Toyota Motor** Corp. Experts say some cases of unintended acceleration may ot have resulted in accidents if a car's electronics favored the brakes over the accelerator.

Mr. Rockefeller, the Senate Commerce Committee chairman, suggested that some of Toyota's problems could have been prevented had the Japanese auto maker equipped all of its vehicles with such "smart pedal" technology years ago. The auto maker is moving to install the system in some current models and most new vehicles.

"Why don't we require every manufacturer selling cars in the U.S. to install" the brake-override systems, Mr. Rockefeller asked.

Mr. LaHood replied, "We are looking at the possibility of requiring the brake-override systems in all" cars. It wasn't clear whether the proposal would require legislation or could be enacted by regulation.

Reuters

Transportation Secretary Ray LaHood testifying Tuesday. His department is investigating mounting accident complaints.

Meantime, Toyota has named former U.S. Transportation Secretary Rodney Slater to lead a new quality panel of independent experts, according to prepared testimony for Tuesday's Senate Commerce Committee hearing. The news came as the Transportation Department said it had received complaints linking 52 fatalities and 38 injuries to sudden-acceleration incidents involving Toyota vehicles since 2000.

Sen. Rockefeller opened the hearing on Toyota's recalls by saying he would push for changes in auto-safety laws to address what he characterized as deficiencies in the U.S. government's oversight of these concerns.

"I do intend to work on comprehensive legislation—let that be known—to get at all of these issues in a real way" Mr. Rockefeller said. "We need to look at current law and ask if it is strong enough to prevent something like this from happening again."

The senator said it was apparent that the government, particularly the National Highway Traffic Safety Administration, "didn't fullfil its responsibility in the past and has more to do in the present—and needs greater resources and authority in the future."

Auto safety regulators have defended their response to the Toyota problems involving sudden acceleration.

Meantime, the Transportation

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Diageo increases stake in Chinese baijiu market

By James T. Areddy And Paul Sonne

Diageo PLC's bid to buy a larger share in the maker of China's Shui Jing Fang brand white liquor may provide the world's largest alcoholic beverage maker with a major new influence over a leading Chinese consumer brand.

But Diageo will likely have only a minority stake, a fact that also highlights how foreign investors remain heavily constrained in one of the largest cash-generating sectors of the global drinks market.

Diageo—producer of Guinness beer, Smirnoff vodka and Johnnie Walker whisky—announced Monday it has agreed to become, indirectly, the largest single shareholder in the liquor brand Shui Jing Fang.

In the complex deal, Diageo will pay about $21 million to lift its stake to 53% from 49% in **Sichuan Chengdu Quanxing Group**, a holding company that owns about 40% in Shanghai-listed **Sichuan Swellfun** Co., which makes Shui Jing Fang.

Diageo said it will gain greater influence in China's large market for *baijiu*, a white spirit that Diageo said accounts for about half the nation's alcoholic-beverage consumption by volume.

Shui Jing Fang is the fourth-largest producer of premium baijiu in China, with reported net sales of about $171 million in 2008.

Reuters

Diageo wants to sell premium liquors, like its Shanghai White vodka, in China.

A statement published by Swellfun, also known as Sichuan Shui Jing Fang Co., said the transaction reflects "wishes to further strengthen the cooperation between the joint venture partners in the Chinese white spirits industry."

Completion of the deal is subject to approval by several Chinese agencies. The Commerce Ministry didn't respond to questions Tuesday.

China has permitted foreign ownership in a number of famous brands—**Asahi Breweries** Ltd. and **Anheuser-Busch InBev** NV each own minority shares in brewer **Tsingtao Brewery** Co., for instance.

But the government has taken a dim view of full foreign takeovers of big-name consumer brands.

A year ago, Chinese authorities cited antimonopoly concerns in rejecting a $2.4 billion bid by **Coca-Cola** Co. to buy all of a major Chinese soft drinks maker, privately owned **Huiyuan Juice Group** Co.

The rejection was widely seen by many lawyers and analysts as a protectionist measure designed to keep a valuable Chinese brand out of foreign hands, although Chinese officials denied that.

As part of Diageo's transaction, **Chengdu Yingsheng Investment Holding** Co. will reduce its existing stake in Quanxing Group, the holding company, to 47% from 51%.

Quanxing Group, which isn't listed, is the single biggest shareholder in Swellfun.

The change in control of Quanxing will trigger a tender offer by Diageo for the remaining 60% of the Shanghai-listed Swellfun that is publicly traded.

The tender offer could cost as much as $950 million, but Diageo said it doesn't expect the tender offer to be fully taken up by shareholders, since it will be priced at a minimum level and isn't expected to garner full support from shareholders.

Swellfun is expected to remain publicly traded in Shanghai.

Still, tender offers on China's stock market are rare and investors on the Shanghai Stock Exchange greeted it enthusiastically.

Shares of Swellfun finished the session up the maximum 10% Tuesday, at 23.74 yuan each, or $3.48, a 52-week high.

Other liquor stocks fell along with a broader market decline. The tender offer is to be priced at 21.45 yuan per share.

It isn't the first attempt by a foreign company to break into the liquor sector.

In the late-1990s, **Brown-Forman** Corp. made a failed effort to buy into the industry but was blocked from doing any deal beyond forming a joint venture, which the company declined to do, said Zhang Shidi, who worked on the deal.

"We talked to quite a few distilleries at that time" but were unable to craft a deal, said Mr. Zhang, who left the company in 2000 and is now an associate professor of finance at the Graduate School of the Chinese Academy of Sciences in Beijing.

Distilled with grains, often rice, baijiu has a fiery taste and is downed in shots.

Shui Jing Fang's process for distilling alcohol dates back 3,000 years, according to official reports in China, and it is among the choice

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Qantas finance chief resigns

Competitor Virgin Blue names a new chief executive as airlines shuffle management ranks

By Bill Lindsay and Ross Kelly

SYDNEY—Australia's two biggest airlines shuffled executive ranks Tuesday, with **Qantas Airways** Ltd. saying its finance chief would resign and rival **Virgin Blue Holdings** Ltd. tapping a former Qantas executive as its new CEO.

Qantas said Chief Financial Officer Colin Storrie, who is also a director, will resign Friday for personal and health reasons after fewer than 18 months in the job. In a statement, the Australian airline said Gareth Evans, the finance chief of Qantas's mainline airline, will succeed Mr. Storrie until a permanent successor is named.

"I understand why Colin has decided to spend more time with his family but we will miss working with him and wish him well as his health recovers fully," said Qantas Chief Executive Alan Joyce in the prepared statement.

Qantas said Mr. Storrie wasn't available to comment. In the company statement, Mr. Storrie said: "Alan is an excellent chief executive and we've had a good working relationship over the years."

Last month, Qantas said profit for the six months ended Dec. 31 shrank 72% from a year earlier and it won't pay a dividend, given a challenging environment. The airline also said rising fuel costs and higher depreciation costs mean underlying profits could slow in the second half of its fiscal year.

The company has defended its results, pointing out that some analysts last year had predicted a first-half loss.

Separately, Virgin Blue named former Qantas executive John Borghetti, 54 years old, as its new CEO. Mr. Borghetti, who left Quantas in May, said the airline's business model will continue to evolve under his tenure.

Mr. Borghetti will succeed Brett Godfrey, who co-founded the airline in 2000 with Richard Branson, whose Virgin Group retains a 26% stake. Mr. Godfrey said last year he would retire at the end of this year.

At Qantas, Mr. Borghetti led the domestic and international operations of the company's mainline and regional carriers for six years, and oversaw the rollout of new lounges, aircraft interiors and a restructuring of its customer-service model. The mainline operation excludes commuter affiliates.

However, he said it was premature to be specific about any potential changes for Virgin Blue, which operates a domestic carrier, two short-haul international carriers and a long-haul international airline—V Australia.

Bloomberg News

Qantas finance chief Colin Storrie is resigning for personal and health reasons.

Web firms under fire to protect users' rights

By Amy Schatz

WASHINGTON—U.S. technology companies came under fire on Capitol Hill Tuesday for bowing to pressure by foreign governments to censor or block Internet sites in countries like Iran or China.

Senate Majority Whip Dick Durbin (D., Ill.), who chairs a Senate Judiciary Committee panel, said at a hearing he will introduce legislation "that would require Internet companies to take reasonable steps to protect human rights or face civil or criminal liability."

Companies argue that the laws of the countries in which they operate sometimes require censorship or Web-site restrictions.

Google Inc. recently announced it would stop censoring search results in China after the company's servers came under a cyber-attack there. Google deputy general counsel Nicole Wong, testifying at the Senate hearing, said the company doesn't have a timetable for when it will stop censoring search results in China but that the company is "firm" in its decision.

"We are no longer willing to censor our search results in China and we are currently reviewing our options," she said.

Several senators said they are disappointed technology companies have appeared reluctant to challenge free-speech and human-rights abuses in other countries.

Senate Judiciary Committee chairman Patrick Leahy (D., Vt.), said the U.S. "must address these serious challenges to freedom of expression head-on."

A State Department official echoed that sentiment during the hearing Tuesday.

"It's really critical that we and you find ways to help companies step up and take responsibility here. Companies can't do it alone," said Assistant Secretary of State Michael Posner.

Mr. Durbin noted that no new companies have joined an anti-censorship and privacy-rights initiative started by Google, **Microsoft** Corp. and **Yahoo!** Inc. in 2008.

Japan firms seek overseas opportunities

By Juro Osawa
And Kazuhiro Shimamura

Astellas Pharma Inc.'s unsolicited $3.5 billion bid for **OSI Pharmaceuticals** Inc. underlines the growing aggressiveness of Japan Inc., which is on the prowl for global acquisitions, aided by favorable valuations, a strong yen and big cash piles.

Whether Astellas will succeed remains uncertain. On Tuesday, Moody's Investors Service placed the Aa2 issuer rating of Astellas under review for a possible downgrade, on concerns over the cost of its acquisition, which it plans to fund entirely from its own cash.

Astellas's unsolicited $52-a-share cash offer for OSI, which represents a 40% premium over this past Friday's closing price, is set to be just the beginning of a protracted bidding war, with a possible "white knight" suitor emerging in the end.

Astellas, Japan's second-biggest pharmaceutical company by sales, filed a lawsuit against OSI and its directors to stop them from getting in the way of the tender offer, including applying OSI's shareholder-rights plan, a so-called poison pill, arguing that any such move would be "inconsistent with the directors' fiduciary duties."

Astellas has enough funding to raise its bid for the Melville, N.Y., maker of the cancer drug Tarceva, with more than 400 billion yen ($4.5 billion) in cash, and can have more ready by selling its treasury stock—about 14.15 million shares valued at 46.34 billion yen.

Barclays Capital analyst Toshihide Yoda said in a report that Astellas would likely have to raise its price to complete the acquisition, making the purchase expensive, given additional costs of goodwill and amortization.

Astellas shares dropped 2.1% to 3,275 yen on the Tokyo Stock Exchange Tuesday.

Faced with stagnant growth at home, Japanese companies have been shopping overseas for attractive targets.

The strong yen—which late last year reached a 14-year high against the dollar of 84.82 yen and is now trading at around 90 yen—has fueled a miniboom in acquisitions in the U.S., which was the biggest market for Japanese acquisitions last year. Companies spent $5.89 billion on 82 deals, according to Dealogic, a research firm.

In May 2008, **Takeda Pharmaceuticals** Co. bought **Millennium Pharmaceuticals** Inc., for $8.9 billion. In January 2008, **Eisai** Co. acquired **MGI Pharma** Inc. for $3.9 billion. Outside of the U.S., **Daiichi Sankyo** Co. completed its acquisition of a 64% stake in **Ranbaxy Laboratories** Ltd. of India in November 2008 for 488 billion yen.

—Thomas Gryta contributed to this article.

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BP looks to increase refining earnings

By Guy Chazan

LONDON—**BP** PLC on Tuesday said it is pushing through the biggest shake-up of its oil-production business since it acquired Amoco 12 years ago, as it seeks to increase annual profits by more than $3 billion over the next two to three years.

In an update to investors Tuesday, Chief Executive Tony Hayward said that while the British oil giant's portfolio ranks among the best in the industry, "our financial performance has yet fully to reflect this." He said BP sees a "real opportunity to make this portfolio work harder for us, and we intend to do just that."

The push involves another round of efficiency measures designed to improved BP's financial performance and its sometimes patchy record of executing big oil and gas projects, as well as more standardization across the company and improvements in the way it buys goods and services from third parties.

BP said it will target a $2 billion increase in underlying pretax profit over the next two to three years in its refining division, which saw earnings plunge last year amid the global economic slowdown. It also plans to increase underlying profit at its exploration and production arm by $1 billion, in part through the creation of a new central unit to manage all major projects.

Mr. Hayward said it is the "biggest change we've instigated in [exploration and production] since the merger with Amoco in 1998."

BP also said its annual output would rise 1% to 2% a year on average to 2015, two years further out than the forecast it gave a year ago. It said it would start 42 new major projects between 2010 and 2015 that would contribute about one million barrels a day to total production.

The reforms show BP seeking to build on the big efficiency gains it has pushed through over the last two years, a period of volatile oil prices and soaring industry costs.

Mr. Hayward took over at BP in 2007 with the company scrambling to recover from mishaps, such as an explosion at the Texas City refinery in 2005 that left 15 people dead, leaks from its Alaskan oil pipeline and delays in projects such as its flagship Thunder Horse platform in the Gulf of Mexico.

BP saved $4 billion in costs last year, double the initial target, and has shed some 7,500 jobs since 2007. That helped it close the gap with rival **Royal Dutch Shell** PLC.

But underlying earnings, which strip out nonoperating items and disposals and acquisitions, trail those of **Exxon Mobil** Corp., considered the company to beat. BP's underlying return on capital employed is also lower than most of its peers.

BP's head of exploration and production, Andy Inglis, said projects had exceeded their budgets by 20% on average over the past five years. Some overruns occurred because of inflation, but most resulted from "inconsistency in our approach to project management," he said. He said BP could save $700 million a year through better project management and $500 million a year by improving drilling efficiency.

Sands China profit rises 22%

Casino group sees construction in Macaus's Cotai area returning to full swing this month

By Kate O'Keeffe

HONG KONG—**Sands China** Ltd. said Tuesday its 2009 net profit rose 22%, driven by higher revenue on a rebound in visitors and by cost-cutting measures at the Macau casino operator.

The **Las Vegas Sands** Corp. unit, which in 2008 halted work on a major expansion in Macau at the height of the global financial crisis, said it expects construction to return to full swing this month, with completion targeted for July 2011.

The resumption of the construction in Macau's Cotai area comes after Macau's gambling revenue surged at the end of 2009, adding to signs the world's biggest gambling market by revenue is back on its feet following the global downturn, the H1N1 flu outbreak, and the imposition of visa restrictions on travelers to the special administrative region from mainland China.

Macau's December gambling revenue rose 48% in December to 11.45 billion patacas, or about $1.5 billion, according to Macau's government.

Sands China, Macau's second-largest casino operator by revenue after **SJM Holdings** Ltd., said its net profit for the year ended Dec. 31 was US$213.8 million, up from US$175.7 million in 2008. The result was slightly below the average forecast of US$219.6 million from seven analysts polled by Thomson Reuters.

Associated Press

Sands China operates three large casinos in Macau, including the Sands Macao, shown above in October.

Sands China, which listed in Hong Kong on Nov. 30 following an initial public offering that raised $3.1 billion, recorded an 8.1% rise in annual revenue to US$3.3 billion, from US$3.05 billion a year earlier.

The company didn't recommend a final dividend, nor did it break down second-half results.

Sands China operates three large casinos in Macau, including the Venetian Macao and Sands Macao.

The company's earnings growth was in stark contrast to that of its U.S. parent, which last month reported a sharply wider loss due to weak demand in Las Vegas, underscoring the need for major U.S. casino operators to expand further beyond their home market.

Sands China's rival **Wynn Macau** Ltd. said Friday it expects its 2009 profit to be 41% higher than it had forecast in September, in part because of a rebound in Macau's gambling market growth in the second half.

Sands China said Tuesday it plans to "get into high levels of actual construction" in March with its casino and hotel expansion project in Cotai, which will be home to the world's biggest casino and to Shangri-La, Traders and Sheraton hotels.

Sands China reported an 18% rise in adjusted earnings before interest, taxes, depreciation, amortization, and rent costs to US$809 million. Parent Las Vegas Sands' 2009 net loss totaled US$540.1 million, widening from a net loss of US$188.8 million in 2008.

Diageo moves to increase share of baiju market

Continued from page 17

local brands of liquor, along with products of **Kweichow Moutai** Co. and **Wuliangye Yibin** Co., that are bought as gifts, particularly for government officials around holidays.

At the Ritz-Carlton Beijing, Financial Street, a bottle of 50-year-old Moutai is priced at more than $5,000.

Though massive cash generators, Chinese distilleries have a patchy record as operating companies. The business of making baijiu is fragmented, with local distillers found in many cities, often controlled by local governments.

The China deal fits with Diageo's global effort to target rising middle class consumers in emerging markets, encouraging them to trade up to premium spirits.

With the economic downturn leading consumers to buy less premium liquor in the U.S. and Europe, the company has been looking to markets such as China, Russia and Latin America to boost its business.

"We are not relying on a rebound," Diageo Chief Executive Paul Walsh said of the European and North American markets at the company's half-year results last month. "We are relying on the continuing momentum we are seeing in developing markets," he added.

Diageo first acquired a minority 43% stake in the holding company in 2007 and raised it to 49% in 2008.

Diageo also has partnered with Shui Jing Fang to develop a premium vodka called Shanghai White, which launched last year in Hong Kong.

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CORPORATE NEWS

Congress again tackles safety issues at Toyota

Continued from page 17

Department said 41 of the deaths among the 52 reported fatalities since 2000 occurred in Toyota vehicles equipped with electronic throttle controls. The department said in a statement that the allegations, received as of Feb. 28, aren't confirmed.

Of 43 accidents, some involving multiple deaths, 32 were reported to the department since Toyota's October 2009 recall of vehicles for "pedal entrapment." The Japanese auto maker said out-of-place floor mats could result in the gas pedals of certain cars being jammed to the floor, causing the vehicle to race out of control.

The department said 26 of the 43 accidents were reported since Toyota issued a second, much larger recall in late January involving about six million vehicles. NHTSA is investigating the accidents, the DOT statement said.

The Senate committee hearing is the third congressional session in two weeks to investigate the circumstances surrounding Toyota's recalls of more than six million vehicles in the U.S. for sudden acceleration and other issues. Last week, Toyota President Akio Toyoda pledged to overhaul the company's quality procedures in testimony before the House Oversight and Government Reform Committee.

Toyota's new panel headed by Mr. Slater, the former transportation secretary, will make sure Toyota's new quality controls "conform to best industry practices," Toyota's North American president, Yoshimi Inaba, said in his prepared testimony to the Senate committee.

"We are also putting a system in place to better share important quality and safety information across our global operations and to work more closely and transparently with government agencies," according to Mr. Inaba's statement.

Safety experts have suggested that Toyota's electronic throttle control system could be the root cause of the complaints of sudden acceleration in Toyota's vehicles that in some cases have led to fatal accidents. Mr. Toyoda last week said he was confident there were no problems in the system.

In Tuesday's prepared testimony Takeshi Uchiyamada, Toyota executive vice president and chief engineer on the first Prius hybrid, underscored the reliability of the electronic throttle system and says it has undergone extensive testing to electromagnetic forces.

"As a result of our extensive testing, we do not believe sudden unintended acceleration because of a defect in our [electronic throttle control system] has ever happened," said Mr. Uchiyamada. Toyota however "will continue to search for any event in which such a failure could occur."

He also said that in Europe, Toyota tests its vehicles to withstand twice as much electromagnetic interference as is required by regulations. In the U.S. there is no such regulation.

Toyota dealers in the U.S. are working overtime to fix the six million recalled vehicles, Mr. Inaba said.

Ford outsells GM in the U.S.

By Neal E. Boudette And Kevin Kingsbury

Associated Press

Sales of GM's Cadillac brand rose 32% last month. Above, car shoppers look inside a Cadillac SRX in Miami in August.

Ford Motor Co. reported a 43% rise in February U.S. light-vehicle sales, enough to nose the company past arch-rival General Motors Co. for the first time in years.

Helped by strong sales of certain passenger cars and higher sales to fleet customers like rental car companies, Ford sold 142,006 cars and light trucks in the U.S. last month–55 more than GM. GM's sales rose 12% from a year earlier in February to 141,951 cars and trucks.

Ford's monthly U.S. sales last exceeded GM's in February 1998, according to Edmunds.com, an independent market-research Web site.

Toyota Motor Corp., which has been stung by a recall of 8.5 million vehicles world-wide, reported sales fell 8.7% to 100,027 vehicles, far off its American rivals. Total Toyota division sales declined 11%, more than offsetting a 5.2% increase at Lexus.

The Japanese auto maker also said it is offering an "aggressive" incentive program for March to try to lure buyers back to its U.S. showrooms. Toyota is trying to recover from an image crisis triggered by the safety recalls.

Chrysler Group LLC will report February new-vehicle sales were unchanged compared with the same month a year earlier, a person familiar with the matter said. The auto maker was expected to report its sales total later Tuesday.

Most auto makers are expected to show significant increases for February because sales in the same month a year ago plunged as the U.S. economy fell into recession and GM and Chrysler slid toward federally funded bankruptcy reorganizations.

Ford was able to get by without aid from the U.S. government last year and since then has won favor with consumers. In February, it more than doubled sales of its Fusion midsize sedan, and saw big leaps in sales of the Taurus large sedan, the Edge and Explorer sport-utility vehicles, and Mustang sports car.

Ford also said retail sales to individual customers through its dealerships rose 28%, while sales to rental companies and other fleet customers increased 74%.

GM's fleet sales rose 114%.

Total industry sales are expected to increase over the 688,909 cars and light trucks that were sold in February 2009. The rise was tempered, however, because heavy snow slowed business in the U.S. Northeast and Midwest for much of the month.

Toyota's quality troubles are also expected to lower that company's February sales.

Along with snow, GM's sales were affected by its restructuring and the phase-out of four of its eight brands. Vehicles sales in the four brands GM is keeping–Chevrolet, Cadillac, Buick and GMC–increased 32% to 138,849 vehicles. Chevrolet accounted most of that total, with sales of 99,999 cars and trucks, up 32%. Cadillac, Buick and GMC sales increased 32%, 47% and 26%, respectively.

The increases were driven by higher sales of several redesigned models, such as the Chevrolet Equinox and Cadillac SRX crossover vehicles, and the Buick LaCrosse.

The remainder of GM's February sales came from Saturn, Pontiac, Hummer and Saab, which are being shut down or sold. "This was a very strong performance, given the phase-out of four brands," GM's sales analyst, Mike DiGiovanni, said during a conference call.

Mr. DiGiovanni said GM believes the seasonally adjusted annualized sales pace in February was about 10.6 million vehicles, although he cautioned the actual number could come in lower after other auto makers report their sales totals.

Meanwhile, a Toyota representative said in an email to dealers in the Chicago region that the company's incentive program is "the most aggressive incentive program in our history," but acknowledged that the cash offers would be reduced in favor of low-rate financing.

Toyota is offering free financing for five years on eight 2010 model-year vehicles, cash back of between $500 to $3,000 on nine models and two years of free maintenance for returning customers, according to a document provided to a dealer.

The offers arrived as Toyota executives were preparing to testify Tuesday before a third congressional committee about the company's safety problems.

Honda Motor Co. posted a 13% increase in February sales to 80,671 vehicles, with the Accord model jumping 41%—resulting in the most sales of any Honda nameplate for the month—and Civic and Odyssey sales rising 5% and 11%, respectively.

—Kate Linebaugh contributed to this article.

GM boosts Opel investment

By Christoph Rauwald And Nico Schmidt

Bloomberg

Opels at the company's factory in Ruesselsheim, Germany, in November.

GENEVA—**General Motors** Co. said Tuesday it would boost funding for its German Adam Opel GmbH unit to €1.9 billion ($2.58 billion) and reduce its request for state aid to less than €2 billion ahead of a major restructuring to turn around its European operations.

"This commitment by GM removes any potential liquidity risks during the restructuring this year," Opel said in a statement.

The U.S. auto maker said it has more than tripled its investment pledge from €600 million. Its contribution to Opel and its U.K. brand Vauxhall will be made in the form of equity and loans.

"It is of vital importance for GM to demonstrate our commitment for our European operations," said GM Chairman and Chief Executive Ed Whitacre. "Beyond the purely financial aspects, we see this as a major step towards instilling renewed trust and confidence into Opel/Vauxhall's customers, employees, business partners, unions, dealers and European governments."

The auto maker's initial funding plan faced broad political resistance in Germany, which is expected to provide the largest chunk of state aid. The auto maker is also seeking state aid from the U.K., Spain, Poland and Austria to help finance its turnaround plan.

GM employs about 48,000 workers in Europe, with about 50% of them based in Germany. The company plans to cut 8,354 jobs in Europe— around 4,000 of them in Germany—and to slash capacity 20%.

Several German politicians have called for GM to invest more of its own cash to finance Opel's restructuring. They have also been critical that the €600 million initially earmarked by GM for investment was used to pay back a bridge loan.

GM said it will now contribute more than 50% of the overall funding requirements of around €3.3 billion. The car maker also said it is now seeking less than €2 billion in loan guarantees from European governments after previously requesting €2.7 billion.

GM Europe Chief Nick Reilly said he is optimistic about getting state aid amid "positive signs" from Germany after GM's decision to increase funding for Opel.

Speaking to reporters in Geneva Tuesday, Mr. Reilly said GM's move might help to reach an agreement with European unions over annual cost savings valued at €265 million. Mr. Reily clashed with unions after GM decided to stick to its plan to close down a plant in Antwerp.

Daimler, BYD to develop electric car

By Jay Miller

Germany's **Daimler** AG and China's **BYD** Co. agreed to jointly develop an electric vehicle for the Chinese car market, which last year became the world's biggest.

The pact builds on Daimler's deal with **Tesla Motors** Inc., a U.S. developer of electric cars, as the market for alternative-drive cars picks up with prodding from governments keen to reduce oil dependence and greenhouse-gas emissions.

In BYD, Daimler picks up a partner that has been developing battery technology since 1995. BYD gained a measure of credibility when Warren Buffett's **Berkshire Hathaway** Inc. bought a stake in the auto maker in 2008.

"Daimler's know-how in electric vehicle architecture and BYD's excellence in battery technology and e-drive systems are a perfect match. Thus, we will be able to participate in the potential growth of electric mobility in China, currently the largest auto market of the world," said Dieter Zetsche, Daimler's chairman. Electric vehicles work best in cities, both firms noted, a condition that bodes well for their use in China.

CORPORATE NEWS

Publisher halts WWII book

Stores remove an account of the atomic bomb attack on Hiroshima in light of inaccuracies

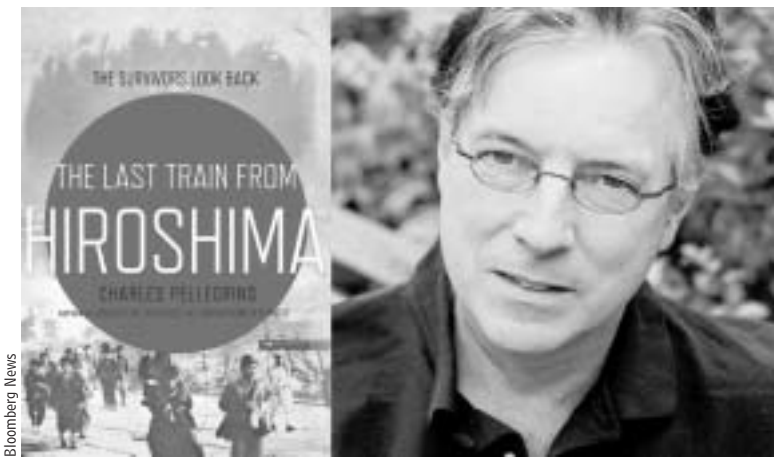
By Jeffrey A. Trachtenberg

Henry Holt & Co. said Monday it has halted publication of Charles Pellegrino's account of the atomic bomb attacks on Japan during World War II because of concerns about inaccuracies in the book.

The New York publisher stopped short of issuing a recall of "The Last Train From Hiroshima: The Survivors Look Back." But it said retailers and wholesalers can return the book for a full credit, while consumers who purchased the title can return it to the retailer where they bought it.

Barnes & Noble Inc., the country's largest bookstore chain by revenue, and **Borders Group** Inc. both said on Monday that they would remove the book from their store shelves.

Nielsen BookScan, which tracks about 75% of the retail book business, said the title has sold 7,000 copies since it went on sale in January. Nicole Dewey, a spokeswoman for Holt, said the book has 18,000 copies in print.



Bloomberg News

Henry Holt stopped short of recalling the book. Above, author Charles Pellegrino.

Issues about the book's accuracy were raised last month in the New York Times, which questioned the probity of Joseph Fuoco, a source for the book who is now dead. Mr. Pellegrino subsequently acknowledged that he had been misled by Mr. Fuoco, who claimed to have been on a photography plane that accompanied the Enola Gay when it dropped its bomb on Hiroshima.

Holt, a unit of German publisher **Verlagsgruppe Georg von Holtzbrinck** GmbH, subsequently said the errors would be corrected in future editions, explaining that the work in question amounted to only a small portion of the entire manuscript.

On Monday, however, Holt backtracked. In a statement, the publisher noted that Mr. Pellegrino had earlier acknowledged making a mistake by using a "dishonest source." Mr. Pellegrino, the statement said, "immediately began reaching out to relevant individuals to correct the historical record. But, in the wake of this discovery, questions about other sources and the author's credentials arose..... Unfortunately Mr. Pellegrino was not able to answer the additional questions that have arisen about his book to our satisfaction."

Variety, the Hollywood trade publication, in January reported that director James Cameron optioned "The Last Train from Hiroshima."

Mr. Cameron's office didn't respond to an email Monday regarding the director's plans for the book.

Nippon Yusen, JAL call off cargo deal

A Wall Street Journal Roundup

TOKYO—**Nippon Yusen** K.K. and **Japan Airlines** Corp. said Tuesday they have abandoned plans to merge air cargo operations.

JAL, which filed for bankruptcy protection in January, is attempting to turn itself around with the help of the quasi-governmental Enterprise Turnaround Initiative Corp. of Japan. JAL President Masaru Onishi said the airline will include strategies for its cargo business in the company's reorganization plan.

The companies said in August they would integrate their air-cargo operations as demand for freight services dwindled amid the economic slowdown. They planned to eliminate overlapping routes and airport operations among other cost cuts. Nippon Yusen is Japan's largest shipping company by revenue.

The two firms said they are still exploring the possibility of continuing joint operations in such areas as code-sharing flights and coordinating ground handling activities.

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CORPORATE NEWS

Robots mine the Outback

Rio Tinto runs drill rigs, loads cargo from an operations center hundreds of miles away

By Robert Guy Matthews

Rio Tinto is connecting its Australian mines to satellite links so workers more than 800 miles away can remotely drive drilling rigs, load cargo and even use robots to place explosives to blast away rock and earth.

The company's Perth operations center, which relies on banks of high-tech equipment to manage one of the oldest and dirtiest jobs around, is a harbinger of new techniques that are allowing miners to go to more remote places, dig deeper and get ore to the market more quickly. It also aims to save Rio Tinto money by using fewer workers and keeping them out of harm's way.

"We have invested tens of millions of dollars," said John McGath, Rio Tinto's head of innovation. He declined to disclose how much has been invested or saved, or how many jobs had been affected.

The innovation is born from necessity. Easy and accessible mineral reserves have been largely tapped, pushing miners to search more remote locations for iron ore, copper, coal and other metals and minerals.

"The mining industry has been very innovative," said Andrew Keen, mining analyst for HSBC Global Research, "using technology to take costs out of its business, to compensate for the decline in quality of reserves."

BHP Billiton Ltd., the world's largest mining company by revenue, has teamed up with **Caterpillar** Inc. to engineer driverless trucks. "We have various bits of automation though no vehicles at this stage," said BHP spokesmman Ruban Yogarajah. **Vale** S.A., the world's second-largest miner, has automated conveyer systems and remotely operated machinery.

Rio Tinto, however, is more involved in automation and remote operations, using a labyrinth of cables, satellites and Global Positioning Systems in the Pilbara region of Australia. Rio Tinto controls about 23% of the world's seaborne iron ore, with most coming from Pilbara.

That remote northwestern portion of the country is noted for cyclones and poisonous insects and reptiles. During the economic boom, miners had trouble recruiting workers, who would fly in on company planes and stay for several weeks in company housing before flying back home. That arrangement was costly, as were wages and overtime, which boosted annual pay to more than $100,000, even for unskilled tasks.

Christian Sprogoe/Rio Tinto

Employees at Rio Tinto's operations center in Perth, Australia, manage machinery hundreds of miles away.

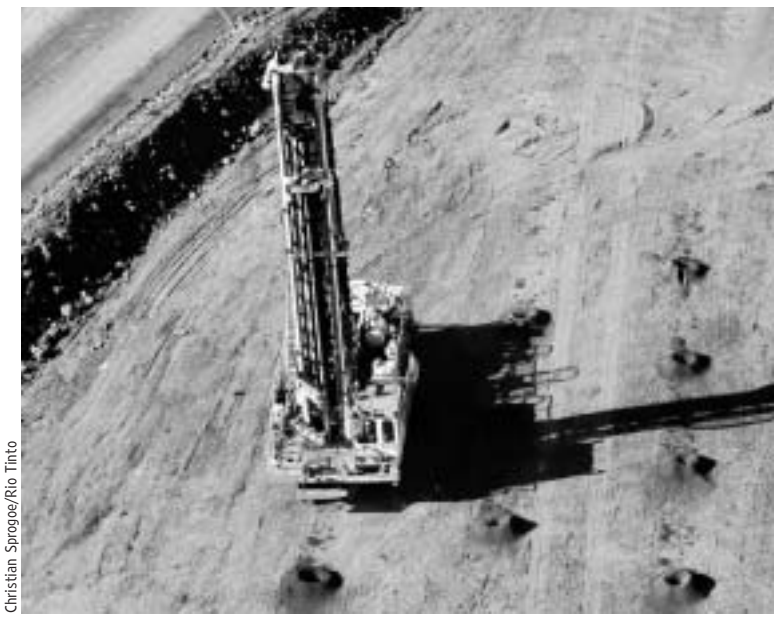
Robots can drill about one million holes into the ground automatically in one year, eliminating thousands of man-hours of work. The holes are drilled short distances from one another to test the rock and ore underneath the earth and determine the width and depth of the reserves.

At the Pilbara mines, robotic machines monitored by electronic eyes that transmit images and data back to the Perth operations center scoop out ore, dump it onto conveyor belts and spray it to remove dirt and reduce dust. Once an area in a mine has been processed, the robotic machines portion out volatile explosives, reducing the potential for injuries.

Rio Tinto must walk a fine line with its unions in Australia. Too much use of automation, at the expense of jobs, is sure to raise the ire of the local unionized work force. The issue, though, hasn't yet become a sticking point because the iron ore mines in the Pilbara are running at 100% capacity and job creation isn't threatened.

Rio Tinto began testing its remote operations project about five years ago with one mine in the Pilbara region, which was linked to a small operations center in downtown Perth. It has since built a larger operations center near the Perth airport, which employs 300 and monitors and controls some aspects of 11 mines in Pilbara.

One of the troubles, said Mr. McGagh, was configuring the wireless networks so they wouldn't get blocked by hilly terrain between Perth's airport and the Pilbara, where the land is mostly flat.



Christian Sprogoe/Rio Tinto

A drill rig in the Pilbara region of Australia is operated by GPS coordinates.

Another concern was making sure there would be enough security so a computer attacker couldn't electronically take over the mine. "We have a whole army of security geeks," said Mr. McGagh. "We needed massive amounts of security and physical security deep inside to prevent a takeover."

Inside, the control center engineers monitor giant screens and set movements for the automated machines. The center is divided into three circular clusters. One monitors the drilling, excavating and testing. The second monitors the railroad, showing where the trains are and how to most efficiently run trains from mines to port. The third cluster controls the Pilbara port, where company-owned trains dump iron ore into the waiting ships.

Rio Tinto is also trying to develop a driverless truck for mines, which would avoid having human drivers involved in moving truckloads of dirt and explosives. The company is also studying how to safely use an unmanned train, such as those used at some airports, over its 700 miles of private tracks.

Rio Tinto is granted permit

By Reuben Carder And Deden Sudrajat

JAKARTA—The Indonesian unit of **Rio Tinto** PLC has been granted a mining permit for its planned $2 billion nickel project on Sulawesi island, the company said Tuesday, making it the first mining company to gain investment approval under Indonesia's new mining law.

Indonesia last year introduced a law that replaced the old contract system with mining permits, which many feared would reduce legal certainty for companies and make investing here more difficult.

The Anglo-Australian miner said Tuesday it can now review its options for developing the Sulawesi site, and will focus on determining the method of development that provides the best value.

Rio Tinto has previously estimated the Sulawesi project could produce 46,000 metric tons of nickel a year by 2015, eventually rising to 100,000 tons a year or more, which the company says would make it one of the world's largest nickel producers. Rio Tinto has said it plans to spend $2 billion developing the site, which has about 162 million tons of laterite nickel resources.

Separately, PT Rio Tinto Indonesia spokesman Budi Irianto said the company hasn't yet determined when the study will be completed or when exploration and production could start at Sulawesi.

Mr. Irianto said Rio Tinto will need to apply for a second mining permit from the Department of Energy and Mineral Resources before it starts production, and will need separate permits from the environment and forestry ministries "before starting operations on the ground" in the exploration stage.

Such complex, overlapping regulations, as well as legal uncertainty and disputes over the share of royalty payments that go to the central and regional governments, are among a slew of issues that have prevented Indonesia from attracting significant mining investment in the past decade.

Although Indonesia has some of the world's richest deposits of nickel, gold and copper, many analysts and industry participants expected the introduction of mining permits over the so-called contract of work system to further discourage investment. Mining permits expire after a set time and must be obtained for both the exploration and development stages.

Tatts buys lottery business, sending its stock down

By Cynthia Koons

SYDNEY—**Tatts Group** Ltd. purchased the lottery business of the Australian state of New South Wales for about US$765 million, sending its shares down 7.3% in part on worries that it overpaid.

The Melbourne-based company said it would pay $850 million Australian dollars for the license and purchase of the state lotteries. Analysts said the market was expecting a deal in the range of A$600 million to A$700 million.

NSW Treasurer Eric Roozendaal said the bidding process was competitive, with offers coming in from Australian as well as international parties. He said the winning bid was "by far" the strongest for the business.

Tatts said Tuesday the purchase won't threaten its standing within existing debt covenants and the company will be able to maintain its current dividend policy.

New South Wales, which has been selling assets in an effort to fund infrastructure, said the sale would garner proceeds of more than A$1 billion, with NSW Lotteries transferring roughly A$160 million of cash and other assets to the state government as part of the deal.

Analysts said the purchase price represented a multiple of around 13 times NSW Lotteries' earnings before interest, tax, depreciation and amortization for the coming year, a higher multiple than Tatts paid for its Queensland state Golden Casket acquisition in 2007.

Tatts is building up its lotteries business to compensate for a hole that will emerge in its balance sheet after 2012 when the company loses its Victorian state slot machine license and ceases operations from what was its most profitable line of business last fiscal year.

The NSW Lotteries purchase is expected to contribute A$120 million of Ebitda—or earnings before interest, taxation, depreciation and amortization—by 2014, Tatts said, which will roughly double that unit's contribution to the group's overall business. Tatts' existing lotteries division earned A$119 million in fiscal 2009.

Tatts currently operates lotteries in Victoria, Tasmania, Northern Territory, the Australian Capital Territory and Queensland.

In Sydney trading, Tatts shares fell 7.3%, or 18 Australian cents, to A$2.30.

The stock went ex-dividend Tuesday, meaning that up until Monday, an investor buying into the stock was entitled to a 10 cent dividend.

—Geoffrey Rogow contributed to this article.

AIG deals will reduce TARP losses

Forecast for the U.S. bailout fund's shortfall declines to $117 billion; some investments won't be repaid

By Dan Fitzpatrick

American International Group Inc.'s moves to sell two large life-insurance units will give a boost to the U.S. government's efforts to recoup its taxpayer-funded investments in hundreds of banks, insurers and other companies. But losses on the rescues still are expected to hit about $117 billion.

AIG said Monday it expects to raise $35.5 billion from the sale of American International Assurance Ltd. to **Prudential PLC**. AIG is separately expected to reach a deal to sell American Life Insurance Co. to **MetLife** Inc. for $15 billion. Proceeds from the two sales would pay off nearly 40% of the $130 billion the U.S. government has doled out in the AIG bailout. The company expects to take a few years to completely repay what it owes.

Of the $581 billion pumped directly into U.S. companies, a total of about $232 billion has been repaid or will be as a result of the AIG sales.

Andrew Williams, a spokesman for the Treasury Department, said the AIG announcement is "further evidence that our strategy is working," adding that loss projections on the overall U.S. investment in troubled companies are lower than previously expected.

Losses for the Troubled Asset Relief Program, or TARP, are expected to total $117 billion, down from an earlier estimate of $341 billion, according to the Treasury. The latest prediction includes a $48 billion hole attributable to AIG and $28 billion not repaid by auto companies.

The unlikely stars of the bailouts are U.S. banks, which have paid back their capital infusions faster than many analysts anticipated when TARP was launched in late 2008. Of the $245 billion invested in U.S. banks, about $170 billion, or 70%, has been returned by 71 financial institutions.

The Treasury also has been paid $15.3 billion from the sales of bank-stock warrants, along with interest and dividends by banks that got TARP aid. That represents a return of about 6.25%, said Gerard Cassidy, a banking analyst at RBC Capital Markets.

"A home run," he said. "Everyone loves to bash the banks, but that is not where the problem is."

Still, the U.S. government's $2.33 billion investment in **CIT Group** Inc. was wiped out when the lender filed for bankruptcy protection last year. One TARP recipient has been seized by banking regulators, and 55 small institutions missed November dividend payments owed to the Treasury, according to SNL Financial, a research firm.

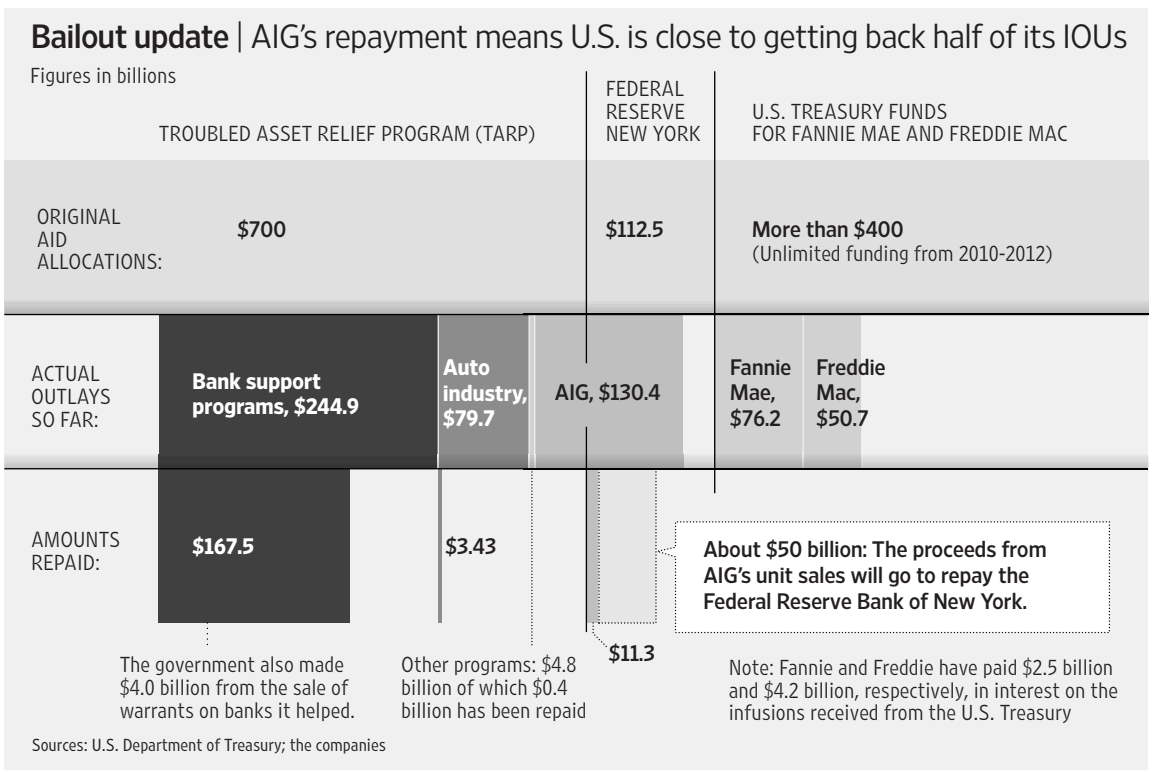
In addition to AIG, other companies thrown lifelines by the government have far to go in repaying taxpayers. **General Motors** Co. still owes the government $5.7 billion, while lender **GMAC Financial Services** owes about $16.3 billion.

Fannie Mae and **Freddie Mac** took a combined $125 billion in U.S. aid. Rising losses and looming accounting changes are expected to force both mortgage-finance companies to seek more money from Treasury officials this year.

"There is definitely money that is not coming back," said Nicole Tichon, federal tax and budget analyst for U.S. PIRG, a research group.

A spokesman for the congressional panel overseeing TARP declined to comment Monday.

In a recent report, the panel criticized the U.S. government's aid to AIG. "Treasury appears not...to have been seeking to maximize profits in this intervention," the report said.


Bailout update | AIG's repayment means U.S. is close to getting back half of its IOUs
Figures in billions
TROUBLED ASSET RELIEF PROGRAM (TARP)
FEDERAL RESERVE NEW YORK
U.S. TREASURY FUNDS FOR FANNIE MAE AND FREDDIE MAC
ORIGINAL AID ALLOCATIONS:
$700
$112.5
More than $400
(Unlimited funding from 2010-2012)
ACTUAL OUTLAYS SO FAR:
Bank support programs, $244.9
Auto industry, $79.7
AIG, $130.4
Fannie Mae, $76.2
Freddie Mac, $50.7
AMOUNTS REPAID:
$167.5
$3.43
$11.3
About $50 billion: The proceeds from AIG's unit sales will go to repay the Federal Reserve Bank of New York.
The government also made $4.0 billion from the sale of warrants on banks it helped.
Other programs: $4.8 billion of which $0.4 billion has been repaid
Note: Fannie and Freddie have paid $2.5 billion and $4.2 billion, respectively, in interest on the infusions received from the U.S. Treasury
Sources: U.S. Department of Treasury; the companies

China Merchants sets $3.2 billion rights issue

SHANGHAI—**China Merchants Bank** Co. said Tuesday it will carry out its planned 22 billion yuan (US$3.2 billion) rights issue on Friday to replenish capital, after aggressively expanding lending and acquiring Hong Kong's Wing Lung Bank Ltd. in the past two years.

Analysts said the attractive valuation of the issue will likely boost demand as the lender joins its peers in turning to the capital markets amid widespread concerns that the industry's 9.6 trillion yuan lending binge last year will affect its long-term health.

China Merchants Bank, the country's sixth-largest bank by assets, had spent US$2.47 billion in 2008 for a 53.12% stake in Wing Lung Bank, in a deal aimed at building up its Hong Kong business.

"The purpose of the rights issue is to improve the core capital-adequacy ratio of the company to support the continuing development and growth of its business," the bank said.

China Merchants Bank said investors can subscribe to the 1.3-for-10 rights issue from March 5 to March 11. China's securities regulator approved the deal last month.

Based on the ratio, the bank will sell 2.04 billion yuan-denominated Class A shares at 8.85 yuan each, and 449.88 million Hong Kong dollar-denominated Class H shares at HK$10.06, the equivalent of about US$1.30, each, according to separate statements it posted on the Web sites of the Shanghai and Hong Kong exchanges.

China Merchants Bank's Shanghai-listed shares were up 1% at 16.46 yuan, and its Hong Kong-listed shares gained 2.5% to HK$20.30. The benchmark Shanghai Composite Index slipped 0.5% to 3073.11, and the Hang Seng Index fell 0.7% to 20906.11.

"With the attractive prices, the bank will attract strong subscription interest from its existing shareholders, as 8.85 yuan per share represents a price-to-earnings ratio of around seven times the bank's expected 2010 earnings, nearly half the average level Chinese banks are trading at," said She Minhua, an analyst at Haitong Securities in Shanghai.

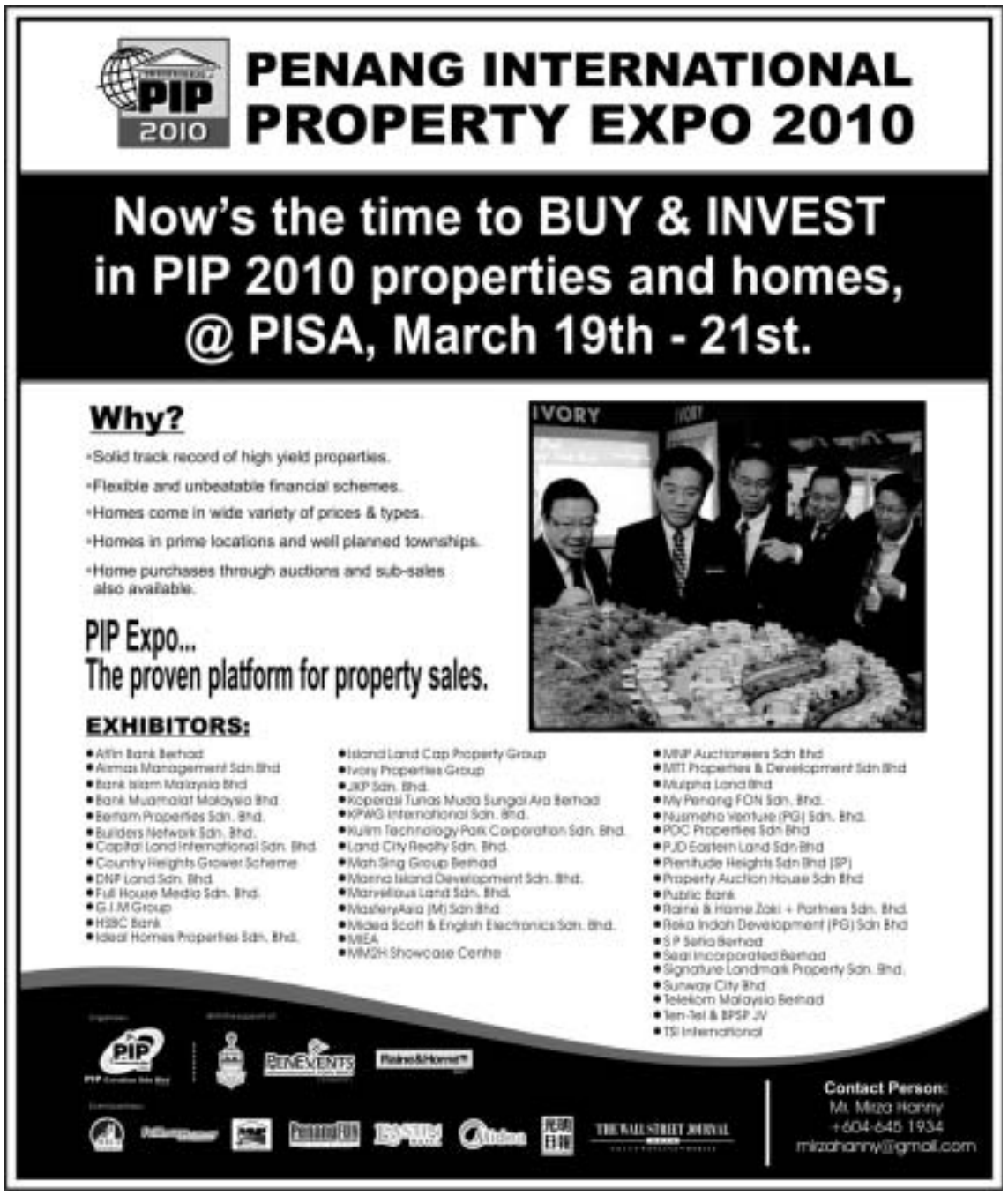
According to one analysis, the rights issue will likely boost the bank's capital-adequacy ratio to 12.7% this year. As of Sept. 30, its capital ratio was 10.54%, marginally above the minimum 10% required by regulators.

On Feb. 2, Fitch lowered China Merchants Bank's rating to D, which signifies "weaknesses of internal and/or external origin," from C/D. A bank with a C rating is "adequate," but with "one or more troublesome aspects."

It was Fitch's first downgrade of a Chinese bank in more than six years. The ratings company cited the bank's aggressive lending expansion in the January-September period last year and the subsequent erosion of the amount of capital it holds against each loan.

China Merchants Bank said **China International Capital** Corp., **UBS** AG and Goldman Sachs Gaohua Securities Co. are the lead underwriters of its rights issue.

—Rose Yu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Koperasi Tunas Muda Sungai Ara Berhad
KPWG International Sdn. Bhd.
Kulim Technology Park Corporation Sdn. Bhd.
Land City Realty Sdn. Bhd.
Mah Sing Group Berhad
Marina Island Development Sdn. Bhd.
Marvellous Land Sdn. Bhd.
MasteryAsia (M) Sdn Bhd
Midea Scott & English Electronics Sdn. Bhd.
MIEA
MM2H Showcase Centre
MNP Auctioneers Sdn Bhd
MTT Properties & Development Sdn Bhd
Mulpha Land Bhd
My Penang FON Sdn. Bhd.
Nusmeha Ventura (PG) Sdn. Bhd.
PDC Properties Sdn Bhd
PJD Eastern Land Sdn Bhd
Plenitude Heights Sdn Bhd (SP)
Property Auction House Sdn Bhd
Public Bank
Raine & Horne Zaki + Partners Sdn. Bhd.
Reka Indah Development (PG) Sdn Bhd
S P Setia Berhad
Seal Incorporated Berhad
Signature Landmark Property Sdn. Bhd.
Sunway City Bhd
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Ten-Tel & BPSF JV
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MARKETS

Sovereign debt losing advantage

Pimco's Gross says some nations may get no better treatment than corporate borrowers

By Sam Mamudi

Bill Gross, manager of the world's largest mutual fund, says the debt of some nations may in the future be no better than private debt issued by corporations.

Sovereign debt has typically offered lower yields than corporate credit because of the presumed ability of governments to self-finance.

Mr. Gross, manager of the $200 billion **Pimco Total Return Fund**, says that the worst-hit countries of the financial crisis might see that advantage erode.

National debts have spiraled as governments try to dig out of the global recession, spurring concern that the quality of those credits will be impaired. Recent troubles of Dubai and Greece have only heightened investors' unease.

"Government bailouts and guarantees such as those evidenced and envisioned in Dubai and Greece, as well as those for the last 18 months with banks and large industrial corporations across the globe, suggest a more homogeneous 'unicredit' type of bond market," Mr. Gross wrote in his latest Investment Outlook, published Monday.

"If core sovereigns such as the U.S., Germany, U.K. and Japan 'absorb' more and more credit risk, then the credit spreads and yields of these sovereigns should look more and more like the markets that they guarantee," he wrote.

"Sovereign yields will narrow in spreads compared to other high-quality alternatives. In other words, sovereign yields will become more credit-like."

This would make it more expensive for countries to finance themselves because it would raise the cost of servicing their debts, which could hurt their economies. And, at a time when many countries are still battling recessions and high unemployment, this "places a potential 'cap' on the 'debt' that supposedly can be created to get out of the 'debt crisis,' " Mr. Gross wrote.

It also suggests potential pitfalls for investors: No longer could they assume sovereign debt is airtight.

"Investors should obviously focus on those sovereigns where fundamentals promise lower credit or inflationary risk," wrote Mr. Gross. "Germany and Canada are amongst those at the top of our list while a rogues' gallery of the obvious, including Greece, Euroland lookalikes, and the U.K. gather near the bottom...action...is required to maintain or regain trust in sovereign credits approaching the rocks."

Mr. Gross's worry over some sovereign-debt issuers is part of his broader view of what he calls the "New Normal," in which aggregate demand and output will be at lower levels than in recent years, and unemployment will be higher.

"A deficiency of global aggregate demand and the potential impotency of policy makers to close the gap are evolving into a life or death outcome for the weakest sovereigns," he wrote.

Shipping index could dry up as global gauge

By Art Patnaude And Neena Rai

LONDON—Uncertainty over how many new ships will be built this year is expected to marginalize a popular measure of the global economy's health—the Baltic Dry Index.

The index, a measure of shipping costs, gained importance over the last decade as a key gauge not just for the shipping industry but the global economy. Due to the shipping industry's stable supply structure, the index was touted as a good proxy for overall demand of raw materials, the basic building blocks of an economy.

But with an unusually large number of ships scheduled to come into operation in 2010, the index no longer presents such a straightforward view of raw-material demand, and hence economic growth.

The Baltic Dry Index "will be less responsive to shifts in demand as the oversupply of vessels becomes more pronounced," said Plamen Natzkoff, dry bulks and freight strategist at Citigroup in London. While the index "will still reflect the supply-demand balance in the freight market," its worthiness as a wider-ranging indicator will be limited, he said.

The Baltic index assesses the cost for moving bulk cargoes on major shipping routes via the four largest dry-vessel classes. It is released five days a week, and gives a comparable level of the cost of moving bulk cargoes—mostly iron ore, coal and grains.

Historically, dry-bulk shipping costs have been able to serve as a proxy for demand because ship supply has been roughly constant.

In May 2008, the index rose to a record high of 11,793, as industrialized nations demanded fodder for the booming economies. But by December, as demand for bulk goods dried up, the index had plummeted to 663. Tuesday, the index was at 2,792.

Ships take about three years to build, making supply both easy to predict and relatively inflexible. Moves in the cost of shipping have, therefore, been largely the result of fluctuations in demand for the commodities they carry.

But the stability is now faltering, some analysts say.

"What you're witnessing is a huge number of ships ordered during the peak of the market in 2007-08 being delivered now due to the usual lead times involved," said Amrita Sen, a commodities analyst at Barclays Capital in London.

She noted that there is a great deal of uncertainty this year about how many ships will actually be delivered. She said that, at the beginning of 2010, the market was saddled with orders for 1,400 new vessels this year, well above the average number during the last five years, of 283. Such a shipbuilding program could lead to a catastrophic collapse in rates.

Last year also saw a similar plan of overbuilding, only to end the year with about 240 new ships entering the fleet, Ms. Sen said, or on par with the average

"The supply glut is unknown this year," said Rob Lomas, secretary-general of the International Association of Dry Cargo Shipowners, or Intercargo. "Estimates last year were so wildly off the mark, people now are dodging all estimates this year."

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MARKETS

Time for turnaround in Greece bets?

As hope for a euro-zone bailout mounts, winning trades become losers; 'a scramble' to close out short positions

By Carrick Mollenkamp And Cassell Bryan-Low

The short bet against Greece might not be around for long.

The possibility that European nations will rescue Greece is upending what had been a highly successful trade—betting that Greece would struggle to pay off its debt.

The two main winning bets were buying credit-default swaps, which rise as the risk of default increases, and shorting Greek bonds, which fall in value when the borrower is in trouble. In both cases, investors made big profits in recent months.

Now, with a bailout plan for Greece emerging, some investors are moving out of the now money-losing trades. A key factor is that if a plan goes through, there would be little doubt Greece could pay off bonds that mature in April and May.

On Monday, the annual cost of insuring €10 million ($13.75 million) of Greek government debt for five years was €341,000, down 14% from last Thursday. The cost hit a peak of €425,000 on Feb. 4.

"You've already had a scramble to close out the short positions," said Gary Jenkins, head of fixed-income research at Evolution Securities in London.

Because investors are less worried about Greece, one of the trades that put pressure on Greek bonds has been scaled back. In that trade, investors bought credit insurance on Greece from big banks, which serve as market makers in cash and derivative trades. The banks were effectively betting in favor of Greece, so to hedge themselves they would sell short Greek bonds, which means they sold bonds hoping to buy them in the future at a lower price.

But less demand for credit protection means that banks have fewer reasons to short the cash bonds, which means fewer Greek bonds are being dumped on the market.

A dreaded short squeeze could hit investors. That happens when the price of a security rises, forcing investors who are short the security to cover their positions to cap the losses. A shortage of securities can make it more expensive to cover the bet, forcing investors scrambling to get their hands on the security to bid up its price.

Investors weren't worried about being squeezed because Greece needed to sell some €23 billion of debt by spring. That huge supply of debt meant that investors had plenty of bonds to buy if they needed to cover short bets.

But a bailout of Greece could mean the country won't have to issue as much debt to the bond markets. A good portion of what is issued could be bought by state-backed entities. That would cut down on the debt investors needed to cover the short trade.

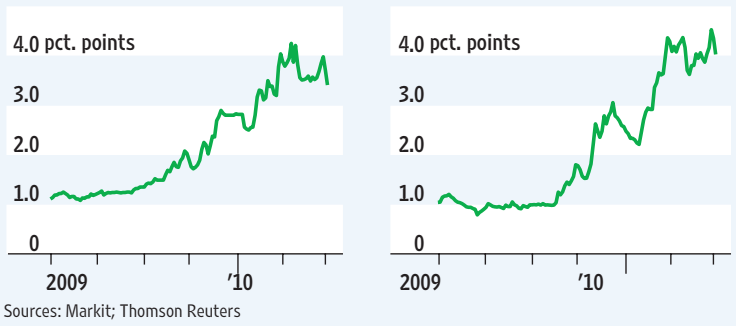
European officials, meanwhile, have unnerved some investors in recent days with calls for tighter regulation of the sovereign credit-default-swap markets.

To be sure, a bailout of Greece could end up a short-term solution. Within months, the country could end up struggling to cover its maturing debt.

"I don't think it's going to be the catalyst people are hoping for," said George Papamarkakis at North Asset Management LLP. The London hedge fund, which manages about $300 million in assets, was among investors that bought Greek bonds during a January sale.

Bearing down?

A bearish view on Greece has been the dominant one of late, as shown by the cost of insuring Greek debt and the spread of Greek bonds over German bonds. A bailout could undo that view.



Sources: Markit; Thomson Reuters

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MARKETS

British pound steadies; Canadian dollar jumps

By Bradley Davis

NEW YORK—Downward pressure on the U.K. pound eased Tuesday, while the euro was little changed against the dollar after recovering from an overnight drop to its lowest level since May 18.

The dollar was down slightly against the yen midday Tuesday, and the Canadian dollar surged after the Bank of Canada left key interest rates unchanged but issued a slightly rosier assessment of its economy.

CURRENCY MARKETS

The pound declined but was steadier after recent polls showed the chances of a hung Parliament had eased somewhat. A hung Parliament could lead to political gridlock and put additional pressures on an already stressed economy.

In midday trading, the euro was at $1.3552 from $1.3560 late Monday. The dollar was at 88.96 yen from 89.09 yen, while the euro was at 120.56 yen from 120.79 yen. The U.K. pound was at $1.4939 from $1.4989. The dollar was at 1.0796 Swiss francs from 1.0794 francs.

The Canadian announcement followed an overnight decision by the Reserve Bank of Australia to increase key rates, pointing to two economies emerging from the global doldrums as the euro zone struggles with issues of sovereign debt.

While the Bank of Canada kept its conditional commitment to keep rates at the lowest possible level—the rate is now 0.25%—until the end of the second quarter, it acknowledged the level of economic activity in Canada had been slightly higher than the bank projected in January, with core inflation slightly firmer than projected.

Investors interpreted the central bank's statement as a step toward eventually tightening monetary policy, leading the U.S. dollar to drop to 1.0335 Canadian dollars from C$1.0417 late Monday. The U.S. dollar initially fell as far as C$1.0310, its lowest level since Jan. 20, after the statement.

The bank's dropping of a reference to retaining policy flexibility also suggests additional monetary easing is no longer on the table, said Steve Butler, director of foreign exchange at Scotia Capital in Toronto.

With its own steadily improving economy, the Reserve Bank of Australia raised rates Tuesday for the fourth time since the height of the financial crisis, boosting key rates by 0.25 percentage point to 4%.

RBA Gov. Glenn Stevens said inflation in Australia in 2010 would likely match expectations. He also said that concerns over "some sovereigns remain elevated" and that fiscal problems in Europe and elsewhere threaten the global economy.

The euro overnight sank as investors sold off the common currency after the RBA mentioned sovereign-debt concerns. It later recouped most of those losses as investors expected debt-pressured Greece to introduce new austerity measures.

Japan auction goes smoothly; yields decline

By Megumi Fujikawa And Ditas Lopez

Japanese government-bond yields declined, supported by a smooth sale of 10-year bonds.

The benchmark 10-year yield shed 0.01 percentage point to 1.295%.

The government sold two trillion yen ($22.45 billion) yen of 10-year paper at a lowest price of 100.60, in line with traders' expectations, to yield 1.331%. The new bonds carry a coupon of 1.4%, higher than the February issue's 1.3%.

BOND MARKETS

"Today's auction offers more evidence for solid investor demand," said Credit Suisse strategist Akito Fukunaga.

The tail, or the difference between the average price and the lowest accepted price, shortened to 0.02 from 0.03 at the previous 10-year sale in February. A short tail is an indicator of strong demand.

The bid-to-cover ratio stood at a healthy 3.40, although down from 3.62 at the last 10-year sale. A higher bid-to-cover ratio is an indication of stronger demand.

Elsewhere, the **Export-Import Bank of Korea** started taking orders for a benchmark 5.5-year senior U.S. dollar bond, its first international bond offering of 2010.

The deal was expected to price later in the global day, people familiar with the situation said.

The Korean bank, also called Kexim, hasn't set the issue size, but people in the market expect it to raise between $500 million and $1 billion. Kexim set official yield guidance around two percentage points over comparable U.S. Treasurys. The lender's January 2015 bond traded around 1.80 percentage points over Treasurys.

If the offering receives strong demand from investors, it would send an encouraging signal to other Asian issuers waiting for a window of opportunity.

Hyundai Motor Corp. began a series of meetings with global bond investors Tuesday ahead of a possible bond sale. Shinhan Bank, the main banking unit of **Shinhan Financial Group**, will continue talking to investors this week.

FUND SCORECARD

Asia-Pacific ex-Japan Equity

Funds that invest at least 75% of assets in Asia Pacific countries, but less than 10% in Japan. At least 75% of total assets are invested in equities. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending March 02, 2010

Leading 10 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
1	**PYN Populus**	Pyn Rahastoyhtiö Oy	EUR	Finland	**10.59**	138.23	-11.02	NS
NS	**Macquarie** Asia New Stars Fund A1	Macquarie Funds Management HK Ltd.	USD	Cayman Isl	**-0.15**	135.42	0.60	NS
1	**Nestor** Fernost Fonds	Nestor Investment Management S.A.	EUR	Luxembrg	**-7.98**	129.54	-6.51	14.96
2	**SEB Choice** Asia Small Caps ex Japan C	SEB Asset Management S.A.	SEK	Luxembrg	**-3.22**	123.38	-4.67	9.19
2	**HSBC GIF** Asia ex Jap Eq Sm Co A	HSBC Investment Funds (Luxembourg) S.A.	USD	Luxembrg	**-3.45**	122.67	-4.34	11.34
3	**EK Asia**	EK Investment Mgmt Ltd	USD	British VI	**3.13**	122.48	4.76	7.27
3	**T. Rowe** Price Asian ex-Japan Eq I	T. Rowe Price Global Inv. Services Ltd	USD	Luxembrg	**-4.10**	121.13	-5.69	NS
2	**Atlantis** Asian Recovery	Atlantis Investment Management Limited	USD	Ireland	**-2.63**	119.16	-13.00	5.01
1	**United Asian** Growth Opp	UOB Asset Management Ltd	SGD	Singapore	**-8.11**	117.36	-10.86	NS
1	**iShares DJ** Asia Pac Sel Div 30 (DE)	iShares	EUR	Germany	**-1.27**	116.71	-10.78	NS

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	02/26	EUR	48.21	-11.8	38.5	-26.3
■ ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	03/01	USD	10.34	-0.3	53.6	-10.1
Am Eq Blend B	US	EQ	LUX	03/01	USD	9.70	-0.5	52.0	-10.9
Am Growth A	US	EQ	LUX	03/01	USD	30.53	-2.3	50.3	-0.8
Am Growth AX	US	EQ	LUX	03/01	USD	32.98	-2.2	51.1	-0.2
Am Growth B	US	EQ	LUX	03/01	USD	25.63	-2.4	48.8	-1.8
Am Growth C	US	EQ	LUX	03/01	USD	27.60	-2.3	49.6	-1.2
Am Growth I	US	EQ	LUX	03/01	USD	33.88	-2.1	51.5	0.0
Am Income A	US	BD	LUX	03/01	USD	8.51	1.9	29.6	6.6
Am Income A2	US	BD	LUX	03/01	USD	19.40	1.9	29.7	6.5
Am Income A2	OT	OT	NA	03/01	HKD	150.62	1.9	29.7	6.5
Am Income AT	OT	OT	NA	03/01	HKD	65.92	1.9	29.6	6.6
Am Income AT	US	BD	LUX	03/01	USD	8.49	1.9	29.6	6.6
Am Income B	US	BD	LUX	03/01	USD	8.51	1.8	28.6	5.7
Am Income B2	US	BD	LUX	03/01	USD	16.70	1.8	28.8	5.8
Am Income B2	OT	OT	NA	03/01	HKD	129.66	1.8	28.8	5.8
Am Income BT	OT	OT	NA	03/01	HKD	66.23	1.7	28.7	5.7
Am Income BT	US	BD	LUX	03/01	USD	8.53	1.7	28.7	5.7
Am Income C	US	BD	LUX	03/01	USD	8.51	1.8	28.9	6.0
Am Income C2	US	BD	LUX	03/01	USD	24.85	1.8	29.1	6.1
Am Income I	US	BD	LUX	03/01	USD	8.51	2.0	30.4	7.2
Am Value A	US	EQ	LUX	03/01	USD	8.60	0.8	42.1	-9.2
Am Value B	US	EQ	LUX	03/01	USD	7.90	0.6	40.6	-10.1
Am Value C	US	EQ	LUX	03/01	USD	8.59	0.7	41.3	-9.6
Am Value I	US	EQ	LUX	03/01	USD	9.27	1.0	43.3	-8.4
Emg Mkts Debt A	GL	BD	LUX	03/01	USD	15.72	2.1	48.0	8.7
Emg Mkts Debt A2	GL	BD	LUX	03/01	USD	20.53	2.1	48.1	8.8
Emg Mkts Debt AT	GL	BD	LUX	03/01	USD	15.76	2.1	48.2	8.8
Emg Mkts Debt B	GL	BD	LUX	03/01	USD	15.72	2.0	46.6	7.7
Emg Mkts Debt B2	GL	BD	LUX	03/01	USD	19.74	2.0	46.7	7.7
Emg Mkts Debt BT	GL	BD	LUX	03/01	USD	15.74	2.0	46.6	7.7
Emg Mkts Debt C	GL	BD	LUX	03/01	USD	15.72	2.1	47.3	8.3
Emg Mkts Debt C2	GL	BD	LUX	03/01	USD	20.16	2.0	47.4	8.3
Emg Mkts Debt I	GL	BD	LUX	03/01	USD	15.72	2.2	48.7	9.3
Emg Mkts Growth A	GL	EQ	LUX	03/01	USD	32.93	-5.0	85.0	-12.8
Emg Mkts Growth B	GL	EQ	LUX	03/01	USD	27.86	-5.1	83.2	-13.6
Emg Mkts Growth C	GL	EQ	LUX	03/01	USD	28.52	-5.1	84.1	-13.2
Emg Mkts Growth I	GL	EQ	LUX	03/01	USD	36.55	-4.8	86.5	-12.1
Eur Growth A	OT	OT	LUX	03/01	EUR	9.41	-1.3	36.1	-13.1
Eur Growth A	OT	OT	LUX	03/01	EUR	6.94	-1.3	36.1	-13.1
Eur Growth B	OT	OT	LUX	03/01	EUR	6.23	-1.4	34.8	-14.0
Eur Growth B	OT	OT	LUX	03/01	USD	8.45	-1.4	34.8	-14.0
Eur Growth C	EU	EQ	LUX	03/01	EUR	5.25	-1.5	35.3	-13.5
Eur Growth I	OT	OT	LUX	03/01	USD	10.26	-1.3	37.1	-12.5
Eur Growth I	OT	OT	LUX	03/01	EUR	7.57	-1.3	37.1	-12.5
Eur Income A	OT	OT	LUX	03/01	EUR	6.71	2.6	48.5	6.8
Eur Income A	OT	OT	LUX	03/01	USD	9.10	2.6	48.5	6.8
Eur Income A2	OT	OT	LUX	03/01	EUR	13.22	2.7	48.9	6.8
Eur Income A2	OT	OT	LUX	03/01	USD	17.92	2.7	48.9	6.8
Eur Income AT	EU	BD	LUX	03/01	EUR	6.70	2.8	49.0	6.8
Eur Income B	OT	OT	LUX	03/01	EUR	6.71	2.5	47.7	6.1
Eur Income B	OT	OT	LUX	03/01	USD	9.10	2.5	47.7	6.1
Eur Income B2	OT	OT	LUX	03/01	EUR	12.28	2.6	47.8	6.0
Eur Income B2	OT	OT	LUX	03/01	USD	16.65	2.6	47.8	6.0
Eur Income BT	EU	BD	LUX	03/01	EUR	6.70	2.5	47.8	6.1
Eur Income C	OT	OT	LUX	03/01	EUR	6.71	2.6	48.0	6.4
Eur Income C	OT	OT	LUX	03/01	USD	9.10	2.6	48.0	6.4
Eur Income C2	OT	OT	LUX	03/01	EUR	13.16	2.6	48.0	6.3
Eur Income C2	OT	OT	LUX	03/01	USD	17.84	2.6	48.0	6.3
Eur Income I	OT	OT	LUX	03/01	EUR	6.71	2.7	49.2	7.4
Eur Income I	OT	OT	LUX	03/01	USD	9.10	2.7	49.2	7.4
Eur Strat Value A	OT	OT	LUX	03/01	EUR	8.27	-3.0	42.1	-17.2
Eur Strat Value A	OT	OT	LUX	03/01	USD	11.21	-3.0	42.1	-17.2
Eur Strat Value I	OT	OT	LUX	03/01	EUR	8.48	-3.0	43.2	-16.5
Eur Strat Value I	OT	OT	LUX	03/01	USD	11.50	-3.0	43.2	-16.5
Eur Value A	OT	OT	LUX	03/01	EUR	8.92	-3.0	46.0	-13.5
Eur Value A	OT	OT	LUX	03/01	USD	12.09	-3.0	46.0	-13.5
Eur Value B	OT	OT	LUX	03/01	USD	11.10	-3.2	44.4	-14.4
Eur Value B	OT	OT	LUX	03/01	EUR	8.19	-3.2	44.4	-14.4
Eur Value C	OT	OT	LUX	03/01	USD	11.67	-3.1	45.2	-14.0
Eur Value C	OT	OT	LUX	03/01	EUR	8.61	-3.1	45.2	-14.0
Eur Value I	OT	OT	LUX	03/01	USD	13.98	-2.9	47.1	-12.9
Eur Value I	OT	OT	LUX	03/01	EUR	10.31	-2.9	47.1	-12.9
Gl Balanced (Euro) A	OT	OT	LUX	03/01	USD	15.61	0.3	34.5	-8.0
Gl Balanced (Euro) B	OT	OT	LUX	03/01	USD	15.17	0.2	33.2	-8.9
Gl Balanced (Euro) C	OT	OT	LUX	03/01	USD	15.48	0.4	34.2	-8.2
Gl Balanced (Euro) I	OT	OT	LUX	03/01	USD	15.92	0.5	NS	NS
Gl Balanced A	US	BA	LUX	03/01	USD	16.23	-1.5	39.0	-8.8
Gl Balanced B	US	BA	LUX	03/01	USD	15.41	-1.7	37.6	-9.7
Gl Balanced C	OT	OT	LUX	03/01	USD	15.98	-1.6	38.5	-9.1
Gl Balanced C	OT	OT	LUX	03/01	EUR	11.79	-1.6	38.5	-9.1
Gl Balanced I	US	BA	LUX	03/01	USD	16.85	-1.4	39.8	-8.2
Gl Bond A	US	BD	LUX	03/01	USD	9.38	2.2	17.7	4.9
Gl Bond A2	US	BD	LUX	03/01	USD	16.36	2.2	17.6	4.9
Gl Bond A2	OT	OT	NA	03/01	HKD	127.02	2.2	17.6	4.9
Gl Bond AT	OT	OT	LUX	03/01	HKD	72.67	2.2	17.6	4.9
Gl Bond AT	US	BD	LUX	03/01	USD	9.36	2.2	17.6	4.9
Gl Bond B	US	BD	LUX	03/01	USD	9.38	2.0	16.6	3.9
Gl Bond B2	US	BD	LUX	03/01	USD	14.30	2.0	16.4	3.8
Gl Bond B2	OT	OT	NA	03/01	HKD	111.02	2.0	16.4	3.8
Gl Bond BT	OT	OT	LUX	03/01	HKD	72.98	2.0	16.5	3.9
Gl Bond BT	US	BD	LUX	03/01	USD	9.40	2.0	16.5	3.9
Gl Bond C	US	BD	LUX	03/01	USD	9.38	2.1	17.2	4.4
Gl Bond C2	US	BD	LUX	03/01	USD	14.18	2.1	17.1	4.4
Gl Bond I	US	BD	LUX	03/01	USD	9.38	2.3	18.3	5.5
Gl Conservative A	US	BA	LUX	03/01	USD	14.80	0.0	24.1	-2.9
Gl Conservative A2	US	BA	LUX	03/01	USD	16.93	0.0	24.1	-2.9
Gl Conservative B	US	BA	LUX	03/01	USD	14.80	-0.2	22.9	-3.9
Gl Conservative B2	US	BA	LUX	03/01	USD	16.06	-0.2	22.9	-3.9
Gl Conservative C	US	BA	LUX	03/01	USD	14.79	-0.1	23.6	-3.4
Gl Conservative C2	US	BA	LUX	03/01	USD	16.54	-0.1	23.5	-3.4
Gl Conservative I	US	BA	LUX	03/01	USD	14.86	0.1	25.2	-2.1
Gl Eq Blend A	GL	EQ	LUX	03/01	USD	11.20	-3.9	53.8	-18.5
Gl Eq Blend B	GL	EQ	LUX	03/01	USD	10.49	-4.2	52.2	-19.3
Gl Eq Blend C	GL	EQ	LUX	03/01	USD	10.99	-4.1	53.1	-18.9
Gl Eq Blend I	GL	EQ	LUX	03/01	USD	11.83	-3.8	55.0	-17.8
Gl Growth A	GL	EQ	LUX	03/01	USD	40.51	-3.3	48.3	-18.9
Gl Growth B	GL	EQ	LUX	03/01	USD	33.76	-3.5	46.8	-19.7
Gl Growth C	GL	EQ	LUX	03/01	USD	38.84	-3.4	47.6	-19.3
Gl Growth I	GL	EQ	LUX	03/01	USD	45.04	-3.2	49.5	-18.2
Gl High Yield A	US	BD	LUX	03/01	USD	4.37	2.3	63.9	6.9
Gl High Yield A2	US	BD	LUX	03/01	USD	9.47	2.3	63.8	6.8
Gl High Yield A2	OT	OT	NA	03/01	HKD	73.52	2.3	63.8	6.8
Gl High Yield AT	OT	OT	NA	03/01	HKD	33.54	2.3	63.6	6.7
Gl High Yield AT	US	BD	LUX	03/01	USD	4.32	2.3	63.6	6.7
Gl High Yield B	US	BD	LUX	03/01	USD	4.37	2.1	61.9	5.5
Gl High Yield B2	US	BD	LUX	03/01	USD	15.20	2.2	62.2	5.7
Gl High Yield B2	OT	OT	NA	03/01	HKD	118.01	2.2	62.2	5.7
Gl High Yield BT	OT	OT	NA	03/01	HKD	34.16	2.1	62.4	5.8
Gl High Yield BT	US	BD	LUX	03/01	USD	4.40	2.1	62.4	5.8
Gl High Yield C	US	BD	LUX	03/01	USD	4.37	2.2	63.0	6.3
Gl High Yield C2	US	BD	LUX	03/01	USD	14.03	2.3	63.1	6.3
Gl High Yield I	US	BD	LUX	03/01	USD	4.37	2.4	64.9	7.6
Gl Thematic Res. A	OT	OT	LUX	03/01	USD	14.38	-2.4	79.5	-1.6
Gl Thematic Res. B	OT	OT	LUX	03/01	USD	12.56	-2.6	77.9	-2.5
Gl Thematic Res. I	OT	OT	LUX	03/01	USD	16.06	-2.3	81.1	-0.8
Gl Value A	GL	EQ	LUX	03/01	USD	10.63	-4.6	59.6	-18.1
Gl Value B	GL	EQ	LUX	03/01	USD	9.75	-4.8	58.0	-18.9
Gl Value C	GL	EQ	LUX	03/01	USD	10.33	-4.6	59.2	-18.4
Gl Value I	GL	EQ	LUX	03/01	USD	11.32	-4.5	60.8	-17.4
Greater China A	AS	EQ	LUX	03/01	USD	38.08	-4.9	63.9	-11.8
Greater China B	AS	EQ	LUX	03/01	USD	33.64	-5.0	62.3	-12.7
Greater China C	AS	EQ	LUX	03/01	USD	37.58	-4.9	63.2	-12.2
India Growth A	OT	OT	LUX	02/26	USD	123.00	-3.1	NS	NS
India Growth AX	OT	OT	LUX	02/26	USD	107.57	-3.0	97.7	-4.3
India Growth B	OT	OT	LUX	02/26	USD	128.65	-3.2	NS	NS
India Growth BX	OT	OT	LUX	02/26	USD	91.80	-3.2	95.7	-5.3
India Growth I	EA	EQ	LUX	02/26	USD	111.56	-3.0	98.6	-4.0
Int'l Health Care A	OT	EQ	LUX	03/01	USD	140.38	2.1	36.3	-4.6
Int'l Health Care B	OT	EQ	LUX	03/01	USD	118.22	2.0	34.9	-5.6
Int'l Health Care C	OT	EQ	LUX	03/01	USD	134.44	2.0	35.6	-5.1
Int'l Health Care I	OT	EQ	LUX	03/01	USD	153.58	2.3	37.3	-3.9
Int'l Technology A	OT	EQ	LUX	03/01	USD	106.85	-3.2	63.3	-5.0
Int'l Technology B	OT	EQ	LUX	03/01	USD	92.43	-3.3	61.7	-5.9
Int'l Technology C	OT	EQ	LUX	03/01	USD	103.18	-3.3	62.6	-5.4
Int'l Technology I	OT	EQ	LUX	03/01	USD	119.96	-3.1	64.6	-4.2
Japan Eq Blend A	JP	EQ	LUX	03/01	JPY	5890.00	-2.2	30.4	-18.0
Japan Eq Blend B	JP	EQ	LUX	03/01	JPY	5674.00	-2.4	29.0	-18.9
Japan Eq Blend C	JP	EQ	LUX	03/01	JPY	5791.00	-2.3	29.8	-18.4
Japan Growth A	JP	EQ	LUX	03/01	JPY	5601.00	-4.6	17.7	-19.4
Japan Growth B	JP	EQ	LUX	03/01	JPY	5396.00	-4.8	16.5	-20.2
Japan Growth C	JP	EQ	LUX	03/01	JPY	5508.00	-4.7	17.1	-19.8
Japan Strat Value A	JP	EQ	LUX	03/01	JPY	6145.00	0.4	43.7	-17.0
Japan Strat Value B	JP	EQ	LUX	03/01	JPY	5926.00	0.3	42.2	-17.8
Japan Strat Value C	JP	EQ	LUX	03/01	JPY	6037.00	0.3	43.0	-17.4
Real Estate Sec. A	OT	EQ	LUX	03/01	USD	14.09	-1.8	79.7	-12.6
Real Estate Sec. B	OT	EQ	LUX	03/01	USD	12.86	-2.0	77.9	-13.4
Real Estate Sec. I	OT	EQ	LUX	03/01	USD	15.16	-1.7	81.1	-11.9
Short Mat Dollar A	US	BD	LUX	03/01	USD	7.28	0.7	14.8	-3.7
Short Mat Dollar A2	US	BD	LUX	03/01	USD	9.86	0.7	14.8	-3.7
Short Mat Dollar AT	US	BD	LUX	03/01	USD	7.26	0.7	14.9	-3.7
Short Mat Dollar B	US	BD	LUX	03/01	USD	7.28	0.7	14.3	-4.1
Short Mat Dollar B2	US	BD	LUX	03/01	USD	9.80	0.6	14.2	-4.2
Short Mat Dollar BT	OT	OT	LUX	03/01	USD	7.28	0.7	NS	-4.4
Short Mat Dollar C	US	BD	LUX	03/01	USD	7.28	0.7	14.3	-4.1
Short Mat Dollar C2	US	BD	LUX	03/01	USD	13.86	0.7	14.3	-4.1
Short Mat Dollar I	US	BD	LUX	03/01	USD	7.28	0.8	15.4	-3.1

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	01/29	USD	1778.08	5.1	80.4	NS
■ CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	03/01	USD	103.46	3.5	25.7	21.1
■ PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	12/31	USD	97.22	15.7	15.7	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	12/31	USD	116.00	12.9	12.9	-29.1
Platinm-Emancipation	OT	OT	USA	12/31	USD	93.12	24.4	24.4	-8.6
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	12/31	USD	62.80	37.2	37.2	-26.9
Platinm-Nordic	OT	OT	CYM	12/31	SEK	617.36	13.2	13.2	-16.2
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	12/31	USD	60.07	NS	NS	-29.4
■ SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
**Closed for New Investments*									
Superfund Cayman*	OT	OT	CYM	02/26	USD	34.84	-14.6	-60.1	-20.4
Superfund GCT USD*	GL	EQ	LUX	02/26	USD	1931.39	-12.0	-48.3	-15.2
Superfund Green Gold A (SPC)	OT	OT	CYM	02/26	USD	901.75	-6.5	-30.5	-8.2
Superfund Green Gold B (SPC)	OT	OT	CYM	02/26	USD	834.10	-10.9	-45.3	-15.9
Superfund Q-AG*	OT	OT	AUT	02/26	EUR	6117.52	-7.6	-31.2	-6.2
■ WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	02/26	EUR	948.03	0.3	-6.0	NS
Winton Evolution GBP Cls G	OT	OT	CYM	02/26	GBP	955.79	0.7	-5.2	NS
Winton Evolution USD Cls F	OT	OT	CYM	02/26	USD	1203.51	0.4	-5.9	-0.4
Winton Futures EUR Cls C	OT	OT	VGB	02/26	EUR	196.05	-0.4	-5.7	1.6
Winton Futures GBP Cls D	OT	OT	VGB	02/26	GBP	212.23	-0.3	-5.2	2.4
Winton Futures JPY Cls E	OT	OT	VGB	02/26	JPY	13978.70	0.7	-5.5	-0.1
Winton Futures USD Cls B	OT	OT	VGB	02/26	USD	696.84	-0.4	-5.7	1.3
■ ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	03/02	EUR	49.92	-4.7	56.2	-6.9
Industria AE	EU	EQ	DEU	03/02	EUR	70.68	-0.6	42.3	-12.5
InternRent AE	EU	BD	DEU	03/02	EUR	37.81	6.5	5.3	11.2
■ CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866									
Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg									
CAM-GTF Limited	AS	EQ	MUS	02/19	USD	285882.54	4.1	115.1	10.7

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MARKETS

Dow Industrials is up for 2010; Stoxx isn't

By Kristina Peterson

NEW YORK—U.S. stocks rose cautiously, with the materials sector firming on the week's positive manufacturing data and rising commodity prices.

The Dow Jones Industrial Average was up 30.83 points, or 0.3%, at 10434.62 in midday trade. That pushed measure into the black for 2010 for the first time since January. The index ended 2009 at 10428.05.

ABREAST OF THE MARKET

Rising metals futures, as well as Monday's data that showed continued expansion in the manufacturing sector, helped boost materials and industrial stocks, including **Boeing**, up 1.3%.

The Nasdaq Composite gained 0.5% to 2284.30 and the Standard & Poor's 500-share index rose 0.5% to 1121.34.

After slipping on Monday, financials rebounded on reports that key U.S. senators are close to a deal on banking regulations that would include a new consumer-protection division within the Federal Reserve, rather than as an independent agency. Investors said the regulatory changes didn't sound as sweeping as first proposed.

American Express gained 1.5%.

"There was this push out there from the [Obama] administration to have a total overhaul of the banking regulations," said Thomas Nyheim, portfolio manager of Christiana Bank and Trust. "That doesn't seem to be coming into play."

Fertilizer maker **Terra Industries** jumped nearly 12% after **CF Industries Holdings** resumed its pursuit of the company with a $4.72 billion offer that seeks to break up the agreed bid from Norway's **Yara International**. CF dropped 2.8%. Yara fell 4.4% in Oslo.

Staples slid 7.8% after fiscal fourth-quarter earnings for the office retailer fell 18% on various charges, missing expectations, even as same-store sales grew for the first time in more than a year.

European stocks

Following an uncertain start, European shares closed higher for the third consecutive session.

The Stoxx Europe 600 index added 0.7% to 250.52. It is down 1% this year.

Several Greek banks firmed, with **Alpha Bank** up 5%. That helped the ASE Composite Index rise 2.7% to 2021.75 ahead of the release of the government's new austerity package on Wednesday. That index is down 7.9% this year.

Among other national indexes, the U.K. FTSE 100 index rose 1.4% to 5484.06, the German DAX index rose 1.1% to 5776.56 and the French CAC-40 index added 1.1% to 3811.92.

U.K. insurance group **Prudential PLC**, which fell 12% on Monday, lost an additional 8% as investors evaluated its planned purchase of **American International Group**'s sale of its Asian life-insurance business and the giant share sale to finance it.

Treasurys stay weak, focus on Greece's plans

By Kelly Nolan

NEW YORK—Treasurys prices were lower Tuesday, as details emerged about a potential effort by the Greek government to reduce its budget deficit, easing worries about the debt-laden country.

The Treasury market has generally been supported by a flight-to-quality bid in recent weeks, as investors fretted about Greece's ability to meet its debt obligations. The government is expected on Wednesday to outline a new austerity package of around €4 billion ($5.43 billion) to cut its deficit as a percentage of gross domestic product by four percentage points. Those steps could help address European Union concerns that the government isn't moving fast enough to deal with its problems.

U.S. CREDIT MARKETS

"There's growing speculation there will be some sort of resolution with Greece," said Tom Tucci, head of government bond trading for RBC Capital Markets. "As those Greece fears subside, our market loses some of its flight-to-quality bid as well."

In late-morning trade, the two-year Treasury note was flat at 100 4/32 to yield 0.8116%, while the 10-year note was off 10/32 at 99 27/32 to yield 3.6418%. The 30-year bond fell 22/32 to 100 13/32, yielding 4.5998%. Bond prices and yields move inversely.

India gains on car sales; broad rise for tech firms

By Shri Navaratnam And Leslie Shaffer

The Indian stock index reached its highest level in more than a month Tuesday as record domestic sales by some major auto makers boosted auto stocks.

Elsewhere in Asia, technology stocks gained ground on buoyant consumer demand, though disappointing earnings results from **HSBC Holdings** dragged on Hong Kong.

ASIAN-PACIFIC STOCKS

Indian, South Korean and Thai shares posted solid gains to catch up with regional advances during Monday's holiday in the three markets. India's Sensitive Index, or Sensex, climbed 2.1% to 16772.56, the Korea Composite Stock Price Index, or Kospi, rose 1.3% to close at 1615.12, and Thailand's SET Index ended 1.6% higher at 733.19.

In Mumbai, **Tata Motors** soared 12% as Moody's Investors Service put the company's debt ratings under review for a possible upgrade, taking note of better financial performance at its Jaguar Land Rover business unit. The company also reported a 58% jump in February vehicle sales. **Maruti Suzuki** climbed 1.8% after reporting record monthly sales in February.

Japan's Nikkei Stock Average of 225 companies gained 0.5% to 10221.84, and Hong Kong's Hang Seng Index fell 0.7% to 20906.11. Australia's S&P/ASX 200 advanced 0.3% to 4701.92.

Regional technology stocks tracked their U.S. counterparts' gains Monday, after flash data storage products maker SanDisk boosted its first-quarter guidance, and as the Semiconductor Industry Association said January global semiconductor sales rose 47% from a year earlier.

In Tokyo, **Toshiba** rose 2% and **Advantest** tacked on 2.3%, while in Seoul, **Samsung Electronics** jumped 3.5% and **Hynix Semiconductor** gained 2.1%.

In Taipei, **Nanya Technology** Corp. rose 3.3% and **ProMOS Technologies** gained 2.1%.

Financial shares in Hong Kong were hit by market heavyweight HSBC, which sank 7% after reporting 2009 net profit that was below analysts' expectations. Bad-debt charges continued to rise.

Hang Seng Bank dropped 5.1% after the lender cut its fourth-quarter dividend to preserve capital after announcing weaker-than-expected results on Monday.

Shares were also weaker in mainland China, with trade cautious ahead of China's annual Parliament sessions starting Friday.

Baoshan Iron & Steel Co. fell 1.3%, and **Jiangxi Copper** tumbled 4.6%, reversing direction after surging 10% in the previous session.

In Sydney, gaming concern **Tatts Group** lost 7.3% after securing a deal to buy **NSW Lotteries** Corp.. Some analysts considered the acquisition price to be too high.

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GAM

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	02/19	USD	1293.95	4.1	26.1	-5.9
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	02/26	JPY	13909.49	-10.5	58.3	0.0
GAM Asia Equity Hedge US	OT	OT	VGB	02/26	USD	259.87	-10.5	59.2	1.3
GAM Asia Equity USD	OT	OT	VGB	03/01	USD	617.46	-5.6	75.1	-11.4
GAM Asia-Pacific Eq USD	OT	OT	VGB	02/26	USD	1268.53	-1.1	44.1	-13.5
GAM Com Glb Bal EUR Op	US	BA	VGB	02/22	EUR	96.39	-0.5	18.8	-7.0
GAM Com Glb Bal USD Op	US	BA	VGB	02/22	USD	127.14	-0.5	18.8	-7.0
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	02/22	EUR	98.79	-1.8	28.7	-12.4
GAM Comp Glb Eq USD Op	GL	EQ	VGB	02/22	USD	125.19	-1.8	28.7	-12.4
GAM Comp Glb Gr EUR Op	US	BA	VGB	02/22	EUR	87.36	-1.5	20.4	-10.4
GAM Comp Glb Gr USD Op	US	BA	VGB	02/22	USD	125.19	-1.5	20.4	-10.4
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	02/26	USD	245.05	-1.4	50.8	-7.8
GAM Cross Trading Inc	OT	OT	VGB	02/22	USD	462.50	-0.7	4.2	NS
GAM Diversity CHF Op	OT	OT	VGB	02/22	CHF	94.15	-0.2	3.5	-6.2
GAM Diversity EUR Op	OT	OT	VGB	02/22	EUR	648.05	-0.1	4.2	-4.7
GAM Diversity USD 2.5XL	OT	OT	VGB	02/22	USD	77.91	-0.5	7.7	-17.9
GAM Diversity USD Op	OT	OT	VGB	02/22	USD	680.55	-0.1	4.3	-5.2
GAM Dvrsty II CHF Op	OT	OT	VGB	02/22	CHF	99.34	-0.2	2.9	-5.8
GAM Dvrsty II EUR Op	OT	OT	VGB	02/22	EUR	138.66	-0.1	3.3	-4.8
GAM Dvrsty II USD Op	OT	OT	VGB	02/22	USD	210.00	-0.1	3.6	-5.1
GAM DvrstyIII EUR Op	OT	OT	VGB	02/22	EUR	115.42	-0.1	3.2	-5.0
GAM DvrstyIII USD Op	OT	OT	VGB	02/22	USD	121.89	-0.1	3.5	-5.1
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	02/22	EUR	219.31	0.2	14.1	-2.5
GAM Euro Eq Hdg USD Op	OT	OT	VGB	02/22	USD	203.55	0.1	12.2	-1.0
GAM European Equity USD	OT	OT	VGB	02/26	USD	268.84	-8.3	39.4	-14.3
GAM GAMCO	OT	EQ	VGB	02/23	USD	803.78	-0.8	55.1	-8.3
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	02/26	EUR	96.23	-1.7	12.7	-16.6
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	02/26	USD	101.65	-1.5	13.5	-15.8
GAM Gbl Divers USD Inc.	GL	EQ	VGB	02/26	USD	248.54	-0.5	44.1	-5.7
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	02/26	USD	257.03	-10.3	87.9	19.6
GAM Intrst Trend II	GL	BD	VGB	02/22	USD	104.27	10.8	71.8	-2.8
GAM Intrst Trend Inc	OT	OT	VGB	02/22	USD	277.96	10.5	86.5	-1.2
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	02/26	EUR	122.33	4.8	23.5	-1.8
GAM Japan Eq Hdg USD Op	OT	OT	VGB	02/26	USD	125.18	2.6	24.8	-15.7
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	02/26	JPY	8620.43	2.6	25.8	-14.6
GAM Japan USD	JP	EQ	VGB	02/26	USD	1124.82	2.0	37.8	-13.5
GAM Japan YEN	JP	EQ	VGB	02/26	JPY	8843.37	0.2	31.5	-19.4
GAM Money Mkt EuroOp	EU	MM	VGB	02/26	EUR	51.16	0.7	0.8	1.7
GAM Money Mkt USD	US	MM	VGB	02/26	USD	100.02	0.1	0.0	0.6
GAM Multi-Arb EUR Op	OT	OT	VGB	02/22	EUR	112.58	1.2	1.2	-8.1
GAM Multi-Arb USD Op	OT	OT	VGB	02/22	USD	117.47	1.2	1.4	-8.4
GAM Multi-China EUR Op	OT	OT	VGB	02/22	EUR	160.09	-4.7	6.7	-6.6
GAM Multi-China USD Op	OT	OT	VGB	02/22	USD	168.72	-4.5	7.6	-7.2
GAM Multi-Emer Mkts GBP	OT	OT	VGB	02/22	GBP	129.24	-1.7	23.0	-1.2
GAM Multi-Emer Mkts USD	OT	OT	VGB	02/22	USD	639.96	-1.7	23.2	-1.6
GAM Multi-Eur EUR Op	OT	OT	VGB	02/22	EUR	266.62	-0.8	4.9	-7.3
GAM Multi-Eur II EUR Op	OT	OT	VGB	02/22	EUR	137.19	-0.8	4.8	-7.3
GAM Multi-Eur II USD Op	OT	OT	VGB	02/22	USD	112.21	-0.8	4.8	-8.3
GAM Multi-Eur USD Op	OT	OT	VGB	02/22	USD	464.05	-0.8	4.3	-8.2
GAM Multi-Nth Am EUR Special	OT	OT	VGB	02/22	EUR	133.91	-0.1	9.0	-1.7
GAM Multi-Nth Am USD Special	OT	OT	VGB	02/22	USD	217.86	-0.1	9.2	-1.9
GAM Multi-Pac EUR Op	GL	EQ	VGB	02/22	EUR	139.71	-2.6	1.4	-3.5
GAM Multi-Pac USD Op	OT	OT	VGB	02/22	USD	161.39	-2.4	1.8	-3.8
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	02/19	USD	2688.21	1.9	68.0	11.9
GAM Sing/Malaysia	AS	EQ	VGB	03/01	USD	2437.14	-3.5	66.6	-7.8
GAM Sterling Spe Bd Inc	OT	OT	VGB	02/26	GBP	238.64	3.8	50.1	7.0
GAM Trading EUR Inc	OT	OT	VGB	02/22	EUR	322.62	-0.8	3.7	4.0
GAM Trading USD Inc	OT	OT	VGB	02/22	USD	966.09	-0.7	4.2	3.4
GAM Trdg II IncEUR Op	OT	OT	VGB	02/22	EUR	138.02	-0.7	3.6	3.9
GAM Trdg II IncUSD Op	OT	OT	VGB	02/22	USD	313.69	-0.7	4.2	3.4
GAM Trdg IV IncEUR Op	OT	OT	VGB	02/22	EUR	145.61	-0.8	3.5	3.7
GAM Trdg IV IncUSD Op	OT	OT	VGB	02/22	USD	153.36	-0.8	4.0	3.2
GAM Trdg V IncEUR Op	OT	OT	VGB	02/22	EUR	123.43	-0.8	3.4	3.6
GAM Trdg V IncUSD Op	OT	OT	VGB	02/22	USD	128.67	-0.7	4.0	3.2
GAM TrdgIII IncEUR Op	OT	OT	VGB	02/22	EUR	155.69	-0.8	3.6	3.6
GAM TrdgIII IncUSD Op	OT	OT	VGB	02/22	USD	161.31	-0.7	4.0	3.2
GAM USDSpecBondInc	US	BD	VGB	02/26	USD	559.01	5.5	98.6	10.3
GAM Worldwide	GL	EQ	VGB	02/26	USD	2090.99	-6.0	42.7	-11.3
GAMut Investments	OT	OT	VGB	02/24	USD	7610.98	0.4	0.2	6.5

■ GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	02/26	CHF	10.62	-3.8	53.6	-11.6
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	02/26	EUR	11.63	-2.4	58.5	-6.4
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	02/26	GBP	1.54	-1.6	59.2	2.0
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	02/26	USD	12.45	-7.2	69.9	-10.4
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	02/26	EUR	103.73	2.5	34.8	-8.8
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	02/26	EUR	100.38	2.5	34.9	-8.8
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	03/01	EUR	10.83	-1.5	39.0	-5.2
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	02/26	EUR	176.92	-3.4	32.2	-10.4
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	02/26	EUR	161.67	-3.4	32.2	-10.4
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	02/26	USD	14.70	-8.1	41.5	-14.1
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	02/26	USD	13.33	-8.1	41.5	-14.1
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	02/26	USD	5.54	1.0	48.5	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	03/01	EUR	92.92	5.6	29.1	-6.9
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	03/01	EUR	92.92	5.6	29.1	-6.9
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	03/01	JPY	927.85	0.7	28.7	-17.7
GAMStar-JpnEq USD Acc	JP	EQ	IRL	03/01	USD	11.40	2.6	33.9	-13.3
GAMStar-World EqUSD Acc	GL	EQ	IRL	02/26	USD	2105.72	-5.9	43.6	-10.8

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American Growth	US	EQ	LUX	03/02	USD	15.13	-0.9	47.8	-10.3
American Growth AA	US	EQ	LUX	03/02	USD	0.87	-0.9	47.4	-6.7
Asian Equity	AS	EQ	LUX	03/02	USD	2.35	-4.1	85.2	-9.0
Asian Equity AA	AS	EQ	LUX	03/02	USD	0.76	-4.2	84.5	-9.3
Asian Sm Cap Equity AA	AS	EQ	LUX	03/02	USD	1.16	-0.1	113.9	-1.3
China Value A	AS	EQ	LUX	03/02	USD	6.69	-5.9	70.1	-5.4
China Value AA	AS	EQ	LUX	03/02	USD	2.10	-6.0	69.7	-5.6
Dragon Growth	AS	EQ	LUX	03/02	USD	1.57	-4.4	74.8	-6.6
Dragon Growth AA	OT	OT	LUX	03/02	HKD	7.65	-4.2	74.6	-7.5
Emg Eastrn Europe A	EU	EQ	LUX	03/02	USD	4.54	-1.5	138.7	-15.0
Emg Eastrn Europe AA	EU	EQ	LUX	03/02	USD	1.95	-1.6	138.3	-15.1
European Growth	EU	EQ	LUX	03/02	USD	8.52	-7.0	72.1	-17.1
European Growth AA	EU	EQ	LUX	03/02	USD	0.61	-7.0	71.7	-17.3
Global Contrarain AA	GL	EQ	LUX	03/02	USD	0.91	3.0	120.4	NS
Global Property AA	OT	EQ	LUX	03/02	USD	0.67	-0.7	94.0	-12.3
Global Resources AA	OT	EQ	LUX	03/02	USD	1.05	-3.2	58.1	-17.4
Healthcare AA	OT	EQ	LUX	03/02	USD	0.97	3.2	37.3	NS
India Equity AA	EA	EQ	LUX	03/02	USD	1.06	-3.9	100.4	-12.0
International Growth	GL	EQ	LUX	03/02	USD	2.99	-2.0	44.7	-14.0
International Growth AA	GL	EQ	LUX	03/02	USD	0.69	-2.0	44.4	-14.2
Japanese Growth	JP	EQ	LUX	03/02	USD	2.79	1.4	37.5	-11.6
Japanese Growth AA	JP	EQ	LUX	03/02	USD	0.73	2.1	38.0	-11.5
Latin America Equity AA	GL	EQ	LUX	03/02	USD	1.24	-4.1	113.9	-8.7
Manulife GF Strategic Income Fund AA	OT	OT	NA	03/02	USD	1.02	2.1	NS	NS
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	03/02	USD	1.13	-1.0	NS	NS
Russia Equity AA	EE	EQ	LUX	03/02	USD	0.67	7.6	164.6	-18.8
Taiwan Equity AA	AS	EQ	LUX	03/01	USD	0.99	-8.4	81.4	-4.6
Turkey Equity AA	EE	EQ	LUX	03/02	USD	0.74	-3.6	155.2	-5.7
U.S. Bond AA	US	BD	LUX	03/02	USD	1.13	2.3	20.1	8.2
U.S. Sm Cap Equity AA	US	EQ	LUX	03/02	USD	0.88	7.7	95.2	-6.7
U.S. Special Opportunities	OT	OT	LUX	03/02	USD	0.88	9.0	111.3	8.3
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	03/02	USD	1.14	0.1	9.8	0.8

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Indonesian Grth Fund	EA	EQ	CYM	02/17	USD	130.72	2.6	136.6	-0.2

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Asia Value Formula Fd-B	AS	EQ	CYM	03/01	USD	7.89	-1.6	104.9	-4.3

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Bonds Eur Hi Yld A	OT	OT	LUX	02/26	EUR	21.15	2.8	55.4	4.7
Bonds EURO A	OT	OT	LUX	02/26	EUR	41.58	1.3	5.7	5.2
Bonds EUROPE A	OT	OT	LUX	03/01	EUR	39.58	1.2	4.5	4.0
Bonds US OppsCoreplus A	OT	OT	LUX	02/26	USD	37.44	1.5	17.5	8.6
Bonds World A	OT	OT	LUX	03/01	USD	41.56	-1.1	12.5	2.4
Eq. AsiaPac Dual Strategies A	OT	OT	LUX	03/01	USD	9.89	-5.1	79.7	-9.9
Eq. China A	AS	EQ	LUX	03/01	USD	22.29	-7.6	68.4	-11.5
Eq. Concentrated Euroland A	OT	OT	LUX	03/01	EUR	88.88	-4.4	32.2	-14.8
Eq. ConcentratedEuropeA	EU	EQ	LUX	03/01	EUR	26.12	-3.3	44.1	-14.1
Eq. Emerging Europe A	OT	OT	LUX	03/01	EUR	24.68	4.8	113.3	-19.0
Eq. Euroland A	EU	EQ	LUX	03/01	EUR	10.37	-4.2	36.7	-15.3
Eq. Euroland Small Cap A	OT	OT	LUX	03/01	EUR	140.63	-0.4	48.5	-7.6
Eq. EurolandCyclclsA	EU	EQ	LUX	03/01	EUR	17.70	-0.5	45.0	-10.3
Eq. EurolandFinancialA	OT	EQ	LUX	03/01	EUR	10.26	-9.3	68.4	-18.8
Eq. Glbl Emg Cty A	GL	EQ	LUX	03/01	USD	8.88	-8.3	71.9	-16.7
Eq. Global A	GL	EQ	LUX	03/01	USD	27.36	-1.8	54.5	-10.6
Eq. Global Energy A	OT	OT	LUX	03/01	USD	17.23	-5.0	36.2	-17.1
Eq. Global Resources A	OT	OT	LUX	03/01	USD	104.94	-3.9	57.7	-16.0
Eq. Gold Mines A	OT	OT	LUX	03/01	USD	28.99	-4.3	40.5	-9.1
Eq. India A	OT	OT	LUX	02/26	USD	123.11	-5.8	85.4	-14.0
Eq. Japan CoreAlpha A	OT	OT	LUX	03/01	JPY	7424.86	2.4	38.9	-8.2
Eq. Latin America A	OT	OT	LUX	02/26	USD	108.83	-6.4	86.3	-14.0
Eq. US Lg Cap Gr A	US	EQ	LUX	03/01	USD	15.00	-1.6	49.6	-8.8
Eq. US Rel Val A	US	EQ	LUX	03/01	USD	20.61	0.1	61.0	-11.2
Eq, US Sm Cap Val A	US	EQ	LUX	03/01	USD	16.26	1.9	60.3	-14.0
Money Market EURO A	EU	MM	LUX	03/01	EUR	27.41	0.1	0.7	2.3
Money Market USD A	US	MM	LUX	03/01	USD	15.83	0.0	0.3	1.3

The National Investor

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TNI Mena Real Estate Fund	OT	OT	BMU	02/18	USD	909.36	-5.4	5.1	-29.8
TNI MENA Special Sits Fund	OT	OT	BMU	01/31	USD	1091.50	1.1	13.6	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	02/25	AED	4.72	-11.5	12.3	-37.6

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Intel-Chin MainInd Foc	AS	EQ	CYM	02/26	USD	28.68	-3.9	76.4	6.4
Intel-China Converg*	AS	EQ	CYM	02/26	USD	109.61	-3.9	76.5	4.4
VP Classic - A	AS	EQ	CYM	03/01	USD	181.72	-2.6	84.5	0.9
VP Classic - B	AS	EQ	CYM	03/01	USD	84.63	-2.6	83.6	0.4
VP High Dividend Stk	AS	EQ	CYM	02/22	USD	44.80	-1.4	79.3	4.0

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■ YMR-N Series									
YMR-N Growth Fund	OT	OT	IRL	03/02	JPY	9019.00	-4.6	27.3	-19.7
YMR-N Small Cap Fund	OT	OT	IRL	03/02	JPY	6534.00	-6.8	20.7	-20.9
■ Yuki 77 Series									
Yuki 77 General	JP	EQ	IRL	03/02	JPY	5783.00	-6.0	16.7	-23.6
Yuki 77 Growth	JP	EQ	IRL	03/02	JPY	5276.00	-6.5	11.4	-27.3
■ Yuki Chugoku Series									
Yuki Chugoku Jpn Gen	JP	EQ	IRL	03/02	JPY	6573.00	-3.7	24.4	-19.3
Yuki Chugoku JpnLowP	JP	EQ	IRL	03/02	JPY	7651.00	1.5	18.0	-17.4
■ Yuki Hokuyo Japan Series									
Yuki Hokuyo Jpn Gen	JP	EQ	IRL	03/02	JPY	4523.00	-3.2	19.5	-23.3
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	03/02	JPY	5178.00	-1.3	20.4	-18.2
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	03/02	JPY	4723.00	-7.5	18.1	-21.1
■ Yuki Mizuho Series									
Yuki Mizuho Gen Jpn III	OT	OT	IRL	03/02	JPY	4164.00	-5.8	19.2	-27.3
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	03/02	JPY	4402.00	-5.6	19.7	-27.2
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	03/02	JPY	6568.00	-5.8	28.7	-22.0
Yuki Mizuho Jpn Gen	OT	OT	IRL	03/02	JPY	8209.00	-4.7	24.5	-19.7
Yuki Mizuho Jpn Gro	OT	OT	IRL	03/02	JPY	6060.00	-4.7	19.1	-21.6
Yuki Mizuho Jpn Inc	OT	OT	IRL	03/02	JPY	7491.00	-1.9	10.6	-20.1
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	03/02	JPY	5003.00	-3.6	23.1	-20.6
Yuki Mizuho Jpn LowP	OT	OT	IRL	03/02	JPY	11437.00	-1.1	27.1	-15.0
Yuki Mizuho Jpn PGth	OT	OT	IRL	03/02	JPY	7432.00	-6.6	18.1	-24.6
Yuki Mizuho Jpn SmCp	OT	OT	IRL	03/02	JPY	6533.00	-8.5	26.1	-22.3
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	03/02	JPY	5524.00	-2.2	25.3	-17.2
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	03/02	JPY	2690.00	-1.3	27.8	-24.7
■ Yuki Shizuoka Japan Series									
Yuki Shizuoka General Japan	JP	EQ	IRL	03/02	JPY	5193.00	-4.2	24.5	-20.5

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Switzerland	0.75%	3.1%	65.2%
Sweden	0.50	2.4	70.3
U.K.	0.94	0.7	56.2
Netherlands	0.91	unch.	69.4
Canada	0.68	-0.3%	51.4
South Africa	0.99	-0.7	40.8
Japan	0.46	-0.8	26.6
Australia	0.44	-2.2	44.2
Russia	0.54	-2.6	86.3
Hong Kong	0.42	-3.6	65.6
Germany	1.02	-3.6	49.4
France	0.92	-3.8	51.1
Turkey	0.68	-4.3	109.3
Singapore	-0.17	-4.9	83.2
South Korea	1.36	-5.5	58.9
Brazil	1.33	-6.6	112.1
Italy	0.61	-7.0	56.8
China 88	-0.31	-9.3	46.1
Spain	0.80	-10.1	36.7

Dow Jones Regional Sector Titans

Travel Leisure	0.64%	5.1%	58.2%
Arab 50	0.64	4.0	37.7
Pers H'hold Gds	0.83	3.1	54.5
Ind Gds Svcs	0.86	2.9	88.1
Retail	0.06	2.0	56.8
Health Care	0.46	-0.4%	42.9
Asian 50	1.03	-0.5	61.3
Media	0.53	-0.8	69.4
Global 50	0.12	-4.1	52.2
Tiger 50*	0.11	-5.4	84.0

*Asia excluding Japan

Source: Dow Jones Indexes

Dow Jones Asia Titans: Tuesday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
Samsung Elec	South Korea	Semiconductors	$98.9	770,000	3.49%	61.9%	35.3%
Nintendo	Japan	Toys	36.7	25,580	3.06	-5.5	-17.8
Shinhan Financial Grp	South Korea	Banks	17.6	42,650	2.90	98.4	-16.7
Hon Hai Precision Ind	Taiwan	Electrical Components Equipment	35.4	133.00	1.92	124.6	0.5
Indl Comm Bk China	Hong Kong	Banks	62.6	5.86	1.56	93.4	39.5
QBE Ins Grp	Australia	Reinsurance	$19.5	21.10	-1.49%	19.6	-32.5
China Mobile (HK)	Hong Kong	Mobile Telecommunications	195.8	76.50	-1.03	16.6	11.3
Tokio Marine Hldgs	Japan	Property Casualty Insurance	22.2	2,509	-0.83	21.2	-40.1
KDDI	Japan	Mobile Telecommunications	23.9	482,000	-0.82	-1.0	-45.8
Hutchison Whampoa	Hong Kong	Diversified Industrials	30.7	56.00	-0.71	44.7	-23.3

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Woodside Petroleum Australia (Exploration Production)	28.6	44.08	1.40%	28.8%	24.0%
Sony Japan (Consumer Electronics)	34.6	3,095	1.31	78.5	-47.5
Westfield Grp Australia (Retail REITs)	25.6	12.26	1.24	16.8	-42.1
JFE Hldgs Japan (Iron Steel)	20.1	3,385	1.20	65.5	-53.6
China Constr Bk Hong Kong (Banks)	178.7	6.18	1.15	63.5	47.1
NTT DoCoMo Japan (Mobile Telecommunications)	65.4	139,600	1.09	-7.2	-31.9
Mitsui Japan (Industrial Suppliers)	28.9	1,423	1.07	72.1	-31.3
Aus NZ Bk Australia (Banks)	53.9	23.83	1.02	83.9	-17.8
POSCO South Korea (Iron Steel)	35.4	535,000	0.94	72.0	52.9
Nippon Steel Japan (Iron Steel)	23.8	337.00	0.90	34.8	-60.9
RioZim Ltd Australia (General Mining)	39.5	72.02	0.87	107.3	21.7
Commonwlth Bk of Aus Australia (Banks)	75.4	54.92	0.86	94.1	10.2
Woolworths Australia (Food Retailers Wholesalers)	30.9	27.76	0.80	3.5	0.3
Canon Japan (Electronic Office Equipment)	52.2	3,770	0.80	61.8	-39.4
Panasonic Japan (Consumer Electronics)	29.4	1,265	0.80	12.8	-45.1
Westpac Bking Australia (Banks)	70.3	26.73	0.75	66.3	5.0
KB Fncl Group South Korea (Banks)	16.4	49,100	0.72	80.0	-39.3
Kansai Elec Power Japan (Conventional Electricity)	22.9	2,135	0.66	-4.7	-38.5
East Japan Railway Japan (Travel Tourism)	27.4	6,170	0.65	9.6	-31.4
Toyota Motor Japan (Automobiles)	117.2	3,315	0.61	8.3	-57.1

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Mizuho Financial Grp Japan (Banks)	28.1	178.00	0.56%	1.1%	-77.8%
Shin-Etsu Chml Japan (Specialty Chemicals)	22.9	4,800	0.52	16.2	-32.0
Takeda Pharm Japan (Pharmaceuticals)	35.8	4,035	0.50	4.8	-49.1
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	48.4	59.90	0.50	35.0	-6.6
Tokyo Elec Power Japan (Conventional Electricity)	37.4	2,465	0.37	-7.3	-39.0
Mitsubishi Japan (Industrial Suppliers)	41.4	2,248	0.36	96.0	-13.2
China Life Ins Hong Kong (Life Insurance)	33.7	35.20	0.28	67.6	71.3
BHP Billiton Australia (General Mining)	124.5	41.09	0.27	50.6	51.9
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	36.3	109.90	0.27	89.5	22.0
PetroChina Hong Kong (Integrated Oil Gas)	24.1	8.87	0.23	71.9	0.7
Honda Motor Japan (Automobiles)	63.3	3,085	0.16	35.0	-27.4
Cheung Kong Hong Kong (Real Estate Holding Development)	28.9	97.00	0.05	57.7	6.8
Nippon T&T Japan (Fixed Line Telecommunications)	57.9	3,900	...	-4.4	-35.2
Nissan Motor Japan (Automobiles)	32.2	705.00	...	132.7	-46.2
National Australia Bk Australia (Banks)	48.5	25.60	-0.04	47.8	-36.3
Mitsubishi UFJ Finl Japan (Banks)	71.0	455.00	-0.22	8.1	-67.3
Seven I Hldgs Japan (Broadline Retailers)	20.1	1,985	-0.35	-2.7	-45.2
Japan Tobacco Japan (Tobacco)	34.8	323,000	-0.46	42.6	-38.8
Sumitomo Mitsui Finl Japan (Banks)	43.4	2,870	-0.62	-3.9	-74.1
CNOOC Hong Kong (Exploration Production)	70.1	12.20	-0.65	96.1	94.0

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
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Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	0.56%	-1.04%	-0.2%	-1.0%	5.6%
Event Driven	0.35	-0.72	0.9	-0.1	13.5
Equity Long/Short	-0.06	-0.04	2.3	0.5	4.8

*Estimates as of 02/25/10, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

Markit iTraxx Indexes

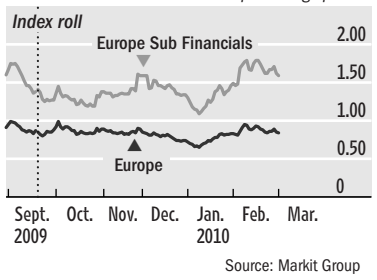
Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.84	100.74%	0.01%	1.00	0.65	0.83
Eur. High Volatility: 12/1	1.24	98.92	0.01	1.76	0.92	1.30
Europe Crossover: 12/1	4.52	101.87	0.05	6.15	3.79	4.93
Asia ex-Japan IG: 12/1	1.10	99.57	0.01	1.34	0.87	1.08
Japan: 12/1	1.41	98.11	0.01	1.68	0.99	1.36

Note: Data as of March 1

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.

In percentage points



Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Acom	322	**-11**	25	30
Toyota Mtr	82	**-10**	-3	-8
Socialist Rep Vietnam	268	**-10**	-10	16
Rep Indonesia	184	**-9**	-14	-13
Kawasaki Heavy Inds	162	**-8**	-15	8
Korea Dep Ins	83	**-8**	4	-7
Fujitsu	68	**-8**	-7	-3
Rep Philippines	180	**-7**	-14	-14
Kookmin Bk	128	**-7**	12	2
Marubeni	193	**-7**	-18	-18

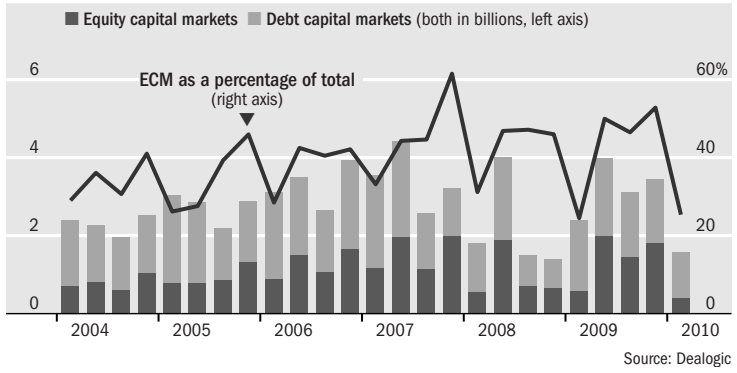
And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Hynix Semicon	470	**1**	-8	41
Hong Kong Spl Admin Region	53	**1**	...	2
Hyundai Mtr	124	**1**	8	1
Nippon Sheet Glass	218	**1**	-2	14
Nippon Yusen Kabushiki Kaisha	100	**1**	...	-4
Konica Minolta Hldgs	61	**2**	-1	11
Marui Group	258	**2**	-8	15
Nagoya Rr	72	**2**	1	12
Mitsui Chems	143	**3**	-3	8
Isetan	98	**6**	9	16

Source: Markit Group

Europe, Middle East & Africa: Bank revenues from equity capital markets

Behind every IPO, follow-on or convertible equity offering is one or more investment banks. At right, investment banks historical and year-to-date revenues from global equity-capital-market (ECM) deals



Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
Corn (cents/bu.)	CBOT	383.50	1.75	0.46%	714.00	325.00
Soybeans (cents/bu.)	CBOT	967.50	5.00	0.52	1,087.50	819.75
Wheat (cents/bu.)	CBOT	508.00	3.50	0.69	745.00	472.00
Live cattle (cents/lb.)	CME	91.725	-0.200	-0.22%	95.175	85.050
Cocoa ($/ton)	ICE-US	2,840	-22	-0.77	3,514	2,066
Coffee (cents/lb.)	ICE-US	132.10	0.35	0.27	190.40	118.30
Sugar (cents/lb.)	ICE-US	21.15	-1.11	-4.99	29.00	11.90
Cotton (cents/lb.)	ICE-US	82.37	-0.92	-1.10	94.00	51.38
Crude palm oil (ringgit/ton)	MDEX	2,612.00	-18	-0.68	3,600	1,486
Cocoa (pounds/ton)	LIFFE	2,154	-16	-0.74	2,356	1,475
Robusta coffee ($/ton)	LIFFE	1,282	-12	-0.93	1,605	1,251
Copper (cents/lb.)	COMEX	337.80	2.80	0.84	355.00	140.00
Gold ($/troy oz.)	COMEX	1132.10	14.30	1.28	1,229.00	785.10
Silver (cents/troy oz.)	COMEX	1669.50	22.60	1.37	1,949.50	916.00
Aluminum ($/ton)	LME	2,139.00	9.00	0.42	2,356.50	1,301.00
Tin ($/ton)	LME	16,950.00	-200.00	-1.17	18,250.00	9,945.00
Copper ($/ton)	LME	7,389.50	30.50	0.41	7,695.00	3,499.50
Lead ($/ton)	LME	2,174.00	3.50	0.16	2,615.00	1,050.00
Zinc ($/ton)	LME	2,218.50	18.50	0.84	2,659.00	1,129.50
Nickel ($/ton)	LME	21,625	185	0.86	21,625	9,475
Crude oil ($/bbl.)	NYMEX	79.88	1.18	1.50	116.70	51.00
Heating oil ($/gal.)	NYMEX	2.0401	0.0166	0.82	3.4750	1.3939
RBOB gasoline ($/gal.)	NYMEX	2.1988	0.0431	2.00	2.2972	1.4475
Natural gas ($/mmBtu)	NYMEX	4.705	0.026	0.56	10.800	4.595
Brent crude ($/bbl.)	ICE-EU	78.56	1.34	1.74	109.11	57.30
Gas oil ($/ton)	ICE-EU	641.00	4.50	0.71	691.50	512.75

Source: Thomson Reuters; WSJ Market Data Group

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Currencies

London close on March 2

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.2295	0.1912	3.8563	0.2593
Brazil real	2.4160	0.4139	1.7816	0.5613
Canada dollar	1.4004	0.7141	1.0327	0.9684
1-mo. forward	1.4004	0.7141	1.0327	0.9683
3-mos. forward	1.4006	0.7140	1.0328	0.9683
6-mos. forward	1.4012	0.7137	1.0332	0.9678
Chile peso	705.51	0.001417	520.25	0.001922
Colombia peso	2570.83	0.0003890	1895.75	0.0005275
Ecuador US dollar-f	1.3561	0.7374	1	1
Mexico peso-a	17.2424	0.0580	12.7147	0.0786
Peru sol	3.8554	0.2594	2.8430	0.3517
Uruguay peso-e	26.783	0.0373	19.750	0.0506
U.S. dollar	1.3561	0.7374	1	1
Venezuela bolivar	5.82	0.171704	4.29	0.232848
ASIA-PACIFIC				
Australia dollar	1.5012	0.6661	1.1070	0.9034
China yuan	9.2576	0.1080	6.8266	0.1465
Hong Kong dollar	10.5274	0.0950	7.7630	0.1288
India rupee	62.2925	0.0161	45.9350	0.0218
Indonesia rupiah	12598	0.0000794	9290	0.0001076
Japan yen	120.69	0.008285	89.00	0.011236
1-mo. forward	120.68	0.008287	88.99	0.011237
3-mos. forward	120.64	0.008289	88.96	0.011241
6-mos. forward	120.56	0.008294	88.90	0.011248
Malaysia ringgit-c	4.5840	0.2182	3.3803	0.2958
New Zealand dollar	1.9493	0.5130	1.4374	0.6957
Pakistan rupee	115.540	0.0087	85.200	0.0117
Philippines peso	62.652	0.0160	46.200	0.0216
Singapore dollar	1.9042	0.5251	1.4042	0.7121
South Korea won	1557.65	0.0006420	1148.63	0.0008706
Taiwan dollar	43.442	0.02302	32.035	0.03122
Thailand baht	44.365	0.02254	32.715	0.03057

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.7374	1.3561
1-mo. forward	1.0000	1.0000	0.7374	1.3560
3-mos. forward	1.0002	0.9998	0.7375	1.3559
6-mos. forward	1.0005	0.9995	0.7378	1.3554
Czech Rep. koruna-b	25.797	0.0388	19.023	0.0526
Denmark krone	7.4420	0.1344	5.4878	0.1822
Hungary forint	266.37	0.003754	196.42	0.005091
Norway krone	8.0706	0.1239	5.9513	0.1680
Poland zloty	3.9139	0.2555	2.8862	0.3465
Russia ruble-d	40.531	0.02467	29.888	0.03346
Sweden krona	9.7654	0.1024	7.2011	0.1389
Switzerland franc	1.4637	0.6832	1.0794	0.9265
1-mo. forward	1.4634	0.6833	1.0791	0.9267
3-mos. forward	1.4628	0.6836	1.0787	0.9271
6-mos. forward	1.4617	0.6841	1.0779	0.9277
Turkey lira	2.0830	0.4801	1.5361	0.6510
U.K. pound	0.9085	1.1007	0.6699	1.4927
1-mo. forward	0.9087	1.1005	0.6701	1.4923
3-mos. forward	0.9091	1.1000	0.6704	1.4917
6-mos. forward	0.9097	1.0993	0.6708	1.4908
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5112	1.9561	0.3770	2.6526
Egypt pound-a	7.4335	0.1345	5.4815	0.1824
Israel shekel	5.1362	0.1947	3.7875	0.2640
Jordan dinar	0.9605	1.0412	0.7083	1.4119
Kuwait dinar	0.3931	2.5441	0.2899	3.4501
Lebanon pound	2044.32	0.0004892	1507.50	0.0006634
Saudi Arabia riyal	5.0856	0.1966	3.7502	0.2667
South Africa rand	10.2973	0.0971	7.5933	0.1317
United Arab dirham	4.9810	0.2008	3.6731	0.2723
SDR -f	0.8871	1.1273	0.6541	1.5287

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	PREVIOUS SESSION Net change	PREVIOUS SESSION Percentage change	PERFORMANCE Yr.-to-date	PERFORMANCE 52-wk.
52	**ASIA-PACIFIC**	DJ Asia-Pacific	122.62	1.10	0.91%	-0.3%	63.8%
...	Australia	SPX/ASX 200	4701.92	15.39	0.33	-3.5	46.1
...	China	CBN 600	27559.29	-82.20	-0.30%	-5.1	56.5
19	Hong Kong	Hang Seng	20906.11	-150.82	-0.72	-4.4	73.7
19	India	Sensex	16772.56	343.01	2.09	-4.0	99.0
...	Indonesia	Jakarta Composite	2576.591	21.917	0.86	1.7	103.7
...	Japan	Nikkei Stock Average	10221.84	49.78	0.49	-3.1	41.4
...		Topix	902.71	3.78	0.42	-0.5	24.2
...	Malaysia	Kuala Lumpur Composite	1288.07	4.67	0.36	1.2	48.3
...	New Zealand	NZSX-50	3183.239	19.087	0.60	-1.5	31.7
8	Pakistan	KSE 100	9546.38	47.82	0.50	1.7	70.6
14	Philippines	Manila Composite	3061.89	-17.02	-0.55	0.3	64.6
...	Singapore	Straits Times	2772.20	-1.86	-0.07	-4.3	81.4
11	South Korea	Kospi	1615.12	20.54	1.29	-4.0	57.5
20	Taiwan	Weighted	7597.62	19.87	0.26	-7.2	71.3
10	Thailand	SET	733.19	11.82	1.64	-0.2	77.5
57	**EUROPE**	Stoxx Europe 600	250.52	1.83	0.74	-1.0	54.8
23		Stoxx Europe 50	2513.31	17.25	0.69	-2.5	52.5
70	**Euro Zone**	Euro Stoxx	263.35	2.33	0.89%	-4.2%	50.7%
21		Euro Stoxx 50	2794.04	21.34	0.77	-5.8	49.2
21	Denmark	OMX Copenhagen	341.89	2.14	0.63	8.3	67.8
20	Finland	OMX Helsinki	6804.38	51.11	0.76	5.4	62.4
16	France	CAC-40	3811.92	42.38	1.12	-3.2	49.2
17	Germany	DAX	5776.56	63.05	1.10	-3.0	56.5
13	Italy	FTSE MIB	21431.41	110.61	0.52	-7.8	52.9
...	Netherlands	AEX	328.24	3.87	1.19	-2.1	62.0
...	Russia	RTSI	1445.62	15.85	1.11	1.3	167.3
10	Spain	IBEX 35	10521.5	86.6	0.83	-11.9	45.7
16	Switzerland	SMI	6820.04	28.56	0.42	4.2	56.5
...	Turkey	ISE National 100	51476.11	292.38	0.57	-2.6	116.7
15	U.K.	FTSE 100	5484.06	78.12	1.45	1.3	56.1
18	**AMERICAS**	DJ Americas	298.66	1.85	0.62	0.7	67.5
...	Brazil	Bovespa	67973.33	745.40	1.11	-0.9	84.1
...	Argentina	Merval	2299.17	34.03	1.50	-0.9	150.8
19	Mexico	IPC	32062.24	297.10	0.94	-0.2	87.8

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Thomson Reuters is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
2.19%	19	**Global TSM**	2287.40	19.01	0.84%	-1.3%	69.8%	-6.6%
1.92	19	**Global DOW**	1922.81	17.98	0.94	-3.1	64.9	-3.4
2.43	15	**Global Titans 50**	166.46	0.19	0.12	-4.1	52.2	-9.1
2.18	25	**Asia/Pacific TSM**	1212.34	10.73	0.89	-0.3	69.3	-5.3
2.42	15	**Asia/Pacific ex-Japan TSM**	2977.11	29.25	0.99	-3.2	102.4	1.3
2.78	14	**Europe TSM**	2502.31	28.60	1.16	-6.5	68.8	-10.6
1.86	14	**Emerging Markets TSM**	3977.92	47.15	1.20	-1.9	108.8	2.9
2.45	33	**Asian Titans 50**	133.66	1.36	1.03	-0.5	61.3	-7.1
6.37	6	**BRIC 50**	567.55	4.15	0.74	-5.1	108.4	7.6
0.86	27	**CBN China 600** -c	27559.29	-82.20	-0.30	-5.1	56.5	11.7
2.35	18	**China Offshore 50**	3908.79	13.70	0.35	-4.1	75.0	8.7
0.89	30	**Shanghai** -c	371.33	-1.28	-0.34	-4.2	57.5	11.9

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
0.56%	46	**Shenzhen** -c	410.00	-0.04	-0.01%	-1.6%	75.5%	18.1%
1.84	22	**U.S. TSM**	11527.51	50.68	0.44	1.3	64.5	-6.3
4.83	14	**Global Select Div** -d	191.11	0.29	0.15	-5.4	101.5	-10.1
5.34	14	**Asia/Pacific Select Div** -d	264.03	1.33	0.51	-1.7	121.6	-9.6
3.70	14	**Hong Kong Select Div** -d	188.89	-0.32	-0.17	0.8	62.3	1.3
4.23	15	**U.S. Select Dividend** -d	320.11	1.45	0.45	1.4	63.6	-13.4
1.80	15	**Islamic Market**	1950.34	14.81	0.77	-1.2	61.9	-1.6
2.00	15	**Islamic Market 100**	2073.12	12.66	0.61	-2.3	48.2	-2.1
2.60	17	**Islamic China/HK Titans 30**	1482.84	-0.02	0.00	-0.2	68.8	3.4
1.55	12	**Sustainability Korea**	1158.88	24.74	2.18	-3.9	114.1	-0.1
3.40	17	**Brookfield Infrastructure**	1989.08	2.33	0.12	-1.9	58.0	-3.8
		DJ-UBS Commodity -p	132.96	-0.87	-0.65	-4.5	30.4	-7.8

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.107	0.670	1.033	6.827	0.737	7.763	45.935	9290.23	89.000	1.437	1148.62	3.380	46.200	1.404	1.079	32.034	32.715
Australia	0.903		0.605	0.933	6.167	0.666	7.013	41.495	8392.33	80.398	1.298	1037.61	3.054	41.735	1.268	0.975	28.938	29.553
Britain	1.493	1.652		1.541	10.190	1.101	11.588	68.567	13867.52	132.850	2.146	1714.54	5.046	68.963	2.096	1.611	47.818	48.834
Canada	0.968	1.072	0.649		6.611	0.714	7.518	44.483	8996.49	86.186	1.392	1112.30	3.273	44.739	1.360	1.045	31.022	31.681
China	0.1465	0.162	0.098	0.151		0.108	1.137	6.729	1360.89	13.037	0.211	168.26	0.495	6.768	0.206	0.158	4.693	4.792
Euro	1.356	1.501	0.908	1.400	9.258		10.527	62.292	12598.48	120.693	1.949	1557.64	4.584	62.652	1.904	1.464	43.442	44.365
Hong Kong	0.129	0.143	0.086	0.133	0.879	0.095		5.917	1196.73	11.465	0.185	147.96	0.435	5.951	0.181	0.139	4.127	4.214
India	0.0218	0.0241	0.0146	0.0225	0.1486	0.0161	0.1690		202.25	1.9375	0.0313	25.01	0.0736	1.0058	0.0306	0.0235	0.6974	0.7122
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0049		0.0096	0.0002	0.12	0.0004	0.0050	0.0002	0.0001	0.0034	0.0035
Japan	0.011	0.012	0.008	0.012	0.077	0.008	0.087	0.516	104.38		0.016	12.91	0.038	0.519	0.016	0.012	0.360	0.368
New Zealand	0.696	0.770	0.466	0.718	4.749	0.513	5.401	31.957	6463.21	61.917		799.09	2.352	32.141	0.977	0.751	22.286	22.760
South Korea	0.0009	0.0010	0.0006	0.0009	0.0059	0.0006	0.0068	0.0400	8.09	0.0775	0.0013		0.0029	0.0402	0.0012	0.0009	0.0279	0.0285
Malaysia	0.296	0.327	0.198	0.305	2.020	0.218	2.297	13.589	2748.38	26.329	0.425	339.80		13.668	0.415	0.319	9.477	9.678
Philippines	0.022	0.024	0.015	0.022	0.148	0.016	0.168	0.994	201.09	1.926	0.031	24.86	0.073		0.030	0.023	0.693	0.708
Singapore	0.712	0.788	0.477	0.735	4.862	0.525	5.528	32.713	6616.03	63.381	1.024	817.99	2.407	32.901		0.769	22.813	23.298
Switzerland	0.926	1.026	0.621	0.957	6.325	0.683	7.192	42.558	8607.24	82.457	1.332	1064.18	3.132	42.804	1.301		29.679	30.310
Taiwan	0.031	0.035	0.021	0.032	0.213	0.023	0.242	1.434	290.01	2.778	0.045	35.86	0.106	1.442	0.044	0.034		1.021
Thailand	0.031	0.034	0.020	0.032	0.209	0.023	0.237	1.404	283.97	2.720	0.044	35.11	0.103	1.412	0.043	0.033	0.979	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of March. 02, 2010

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.40%	23	**ALL COUNTRY (AC) WORLD***	291.58	-0.71%	**-2.6%**	55.8%
2.50	24	**World (Developed Markets)**	1,140.59	-0.64	**-2.4**	51.9
1.80	83	**World Small Cap**	192.04	-1.25	**1.0**	73.3
2.50	21	**Kokusai (World ex-Japan)**	1,125.35	-0.71	**-3.0**	54.6
3.00	23	**EAFE**	1,498.76	-0.10	**-5.2**	50.2
2.20	20	**Emerging Markets (EM)**	947.89	-1.26	**-4.2**	89.8
2.50	23	**AC ASIA PACIFIC EX-JAPAN**	399.25	-1.30	**-4.2**	86.4
2.20	22	**AC Far East ex-Japan**	429.20	-1.42	**-4.6**	78.4
1.70	145	**Japan**	561.85	0.53	**-1.2**	20.3
2.00	19	**China**	62.03	2.38	**-4.3**	71.2
0.90	37	**China A (China Domestic)**	3,185.88	1.21	**-5.8**	56.2
2.60	23	**Hong Kong**	10,046.90	1.64	**-1.3**	60.2
0.90	20	**India**	672.12	0.00	**-4.9**	97.7
1.30	16	**Korea**	450.46	0.00	**-6.3**	54.5
2.30	20	**Malaysia**	470.47	0.97	**0.1**	42.0
3.10	17	**Singapore**	1,548.38	0.57	**-4.7**	72.8
2.70	234	**Taiwan**	272.58	1.97	**-7.9**	57.9
3.30	18	**Thailand**	295.34	0.00	**-2.1**	67.8
3.60	25	**Australia**	970.98	1.05	**-3.0**	40.7
5.00	16	**New Zealand**	82.65	-1.64	**-5.2**	13.1
1.90	28	**US BROAD MARKET**	1,244.83	-1.16	**0.6**	55.0
3.40	16	**EUROPE**	86.36	1.16	**-2.2**	42.9

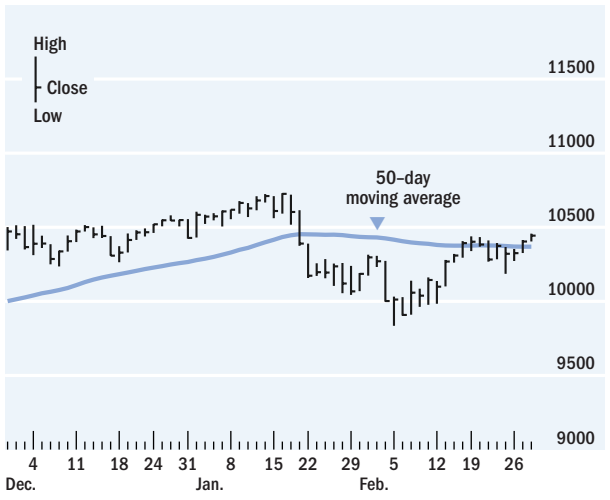
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 16

LAST: **10443.46** ▲ 39.67, or 0.38%
YEAR TO DATE: ▲ **15.41, or 0.1%**
OVER 52 WEEKS ▲ **3,717.44, or 55.3%**



Nasdaq Composite Index P/E: 19*

LAST: **2286.01** ▲ 12.44, or 0.55%
YEAR TO DATE: ▲ **16.86, or 0.7%**
OVER 52 WEEKS ▲ **965.00, or 73.1%**

S&P 500 Index P/E: 22

LAST: **1121.81** ▲ 6.10, or 0.55%
YEAR TO DATE: ▲ **6.71, or 0.6%**
OVER 52 WEEKS ▲ **425.48, or 61.1%**

*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**10.00**	$24.86	-0.14	**-0.56%**
Alcoa	AA	**11.40**	13.48	0.17	**1.28**
AmExpress	AXP	**3.70**	38.88	0.75	**1.97**
BankAm	BAC	**64.40**	16.77	0.06	**0.36**
Boeing	BA	**2.10**	65.08	1.08	**1.68**
Caterpillar	CAT	**3.10**	58.43	0.58	**1.00**
Chevron	CVX	**5.10**	73.88	1.07	**1.47**
CiscoSys	CSCO	**20.00**	24.62	0.02	**0.08**
CocaCola	KO	**4.50**	53.52	0.25	**0.47**
Disney	DIS	**4.10**	31.66	0.12	**0.38**
DuPont	DD	**2.60**	34.10	0.07	**0.21**
ExxonMobil	XOM	**9.40**	65.44	0.04	**0.06**
GenElec	GE	**22.20**	15.92	0.02	**0.13**
HewlettPk	HPQ	**5.50**	51.55	0.01	**0.02**
HomeDpt	HD	**6.00**	31.35	-0.08	**-0.25**
Intel	INTC	**25.30**	20.89	0.02	**0.10**
IBM	IBM	**2.40**	128.20	-0.38	**-0.29**
JPMorgChas	JPM	**14.20**	42.25	0.42	**1.00**
JohnsJohns	JNJ	**3.70**	63.45	0.06	**0.09**
KftFoods	KFT	**5.00**	29.10	0.38	**1.31**
McDonalds	MCD	**2.30**	64.01	0.02	**0.04**
Merck	MRK	**4.30**	37.49	0.22	**0.59**
Microsoft	MSFT	**42.60**	28.87	-0.15	**-0.52**
Pfizer	PFE	**17.40**	17.80	0.05	**0.28**
ProctGamb	PG	**3.60**	63.51	0.00	**0.00**
3M	MMM	**1.00**	81.18	0.60	**0.74**
TravelersCos	TRV	**1.30**	53.09	0.01	**0.01**
UnitedTech	UTX	**2.00**	69.97	0.33	**0.47**
Verizon	VZ	**7.10**	29.17	0.18	**0.62**
WalMart	WMT	**5.30**	53.61	-0.29	**-0.54**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
SiriusXM	SIRI	**152.0**	$0.89	$0.00	**-0.08%**
Citigroup	C	**89.5**	3.44	0.05	**1.33**
FordMotor	F	**78.9**	12.30	-0.11	**-0.89**
BankAm	BAC	**66.4**	16.77	0.06	**0.36**
SPDR S&P 500	SPY	**66.3**	112.58	0.69	**0.62**
Microsoft	MSFT	**42.7**	28.88	-0.14	**-0.48**
PwrShrs QQQ	QQQQ	**39.8**	45.73	0.32	**0.70**
Qualcomm	QCOM	**31.5**	37.43	1.87	**5.26**
iShrMSCIEmrgMkt	EEM	**30.0**	40.11	0.49	**1.24**
DrxFinancBear 3x	FAZ	**27.3**	16.96	-0.52	**-2.98**
Intel	INTC	**25.4**	20.90	0.03	**0.14**
SPDR FnclSelSct	XLF	**25.0**	14.90	0.18	**1.19**
TerraInd	TRA	**24.1**	45.91	4.71	**11.43**
iShrRu2000	IWM	**23.0**	64.96	0.70	**1.09**
Dendreon	DNDN	**22.8**	34.61	2.10	**6.45**

Biggest gainers...

Sequenom	SQNM	**21,275.5**	$8.41	$1.49	**21.55%**
HavrtyFurn A	HVTA	**3.2**	16.11	2.82	**21.22**
EmrsnRadio	MSN	**491.3**	2.75	0.48	**21.15**
HavrtyFurn	HVT	**329.8**	16.10	2.61	**19.35**
OrckitComm	ORCT	**119.5**	5.01	0.73	**17.06**

...Biggest losers

NuHorzn	NUHC	**1,070.7**	$3.08	-$1.32	**-30.00%**
ChnXD Plastc	CXDC	**491.2**	6.15	-1.20	**-16.33**
Nutrisys	NTRI	**6,879.6**	16.55	-2.35	**-12.43**
Cryptologic	CRYP	**141.1**	2.89	-0.38	**-11.62**
ChinaDisEduADS	DL	**92.3**	5.95	-0.77	**-11.46**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.69	$6.98	**Taiwan Semi**	TSM	**5,627.0**	$10.03	0.08	**0.75%**
82.74	33.09	**BHP Billiton**	BHP	**2,129.9**	75.96	0.88	**1.17**
15.95	8.74	**China Unicom**	CHU	**1,873.1**	12.58	-0.02	**-0.16**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**1,210.8**	5.16	0.00	**0**
13.30	6.35	**AU Optrncs**	AUO	**1,023.8**	10.68	-0.02	**-0.19**
4.24	1.65	**Utd Microelectronics**	UMC	**870.1**	3.54	-0.01	**-0.28**
59.22	40.20	**China Mobile**	CHL	**848.6**	49.13	-0.42	**-0.85**
59.13	22.61	**Infosys Tech**	INFY	**696.7**	58.95	0.61	**1.04**
18.64	12.59	**SK Telecom**	SKM	**664.1**	16.85	0.01	**0.06**
91.97	56.79	**Toyota Motor**	TM	**575.9**	74.32	0.68	**0.92**
8.19	4.18	**Siliconware Prec Ind**	SPIL	**545.7**	5.99	0.03	**0.50**
5.23	1.57	**Adv Semi Engrg**	ASX	**416.3**	4.24	-0.01	**-0.24**
21.22	16.33	**ChunghwaTel**	CHT	**338.5**	19.00	-0.10	**-0.52**
18.20	6.85	**Korea Elec Pwr**	KEP	**278.2**	15.98	-0.12	**-0.75**
34.27	10.70	**Aluminum Cp of China**	ACH	**249.3**	25.56	0.41	**1.63**
21.78	11.30	**KT Corp**	KT	**209.3**	19.37	0.01	**0.05**
135.92	63.94	**PetroChina**	PTR	**195.3**	115.37	1.65	**1.45**
94.00	46.45	**China Petro & Chem**	SNP	**173.3**	79.36	0.07	**0.09**
9.50	3.96	**Nomura Hldgs**	NMR	**155.6**	7.37	-0.02	**-0.27**
171.59	75.59	**CNOOC**	CEO	**144.5**	157.98	1.06	**0.68**
81.00	38.70	**China Life Ins**	LFC	**142.5**	68.53	0.49	**0.72**
25.65	5.11	**Yanzhou Coal Mining**	YZC	**141.6**	21.81	-0.21	**-0.94**
37.23	20.72	**Honda Motor**	HMC	**129.5**	34.99	0.02	**0.06**
35.59	16.22	**Sony**	SNE	**122.2**	34.95	0.15	**0.43**
150.50	47.09	**POSCO**	PKX	**105.4**	117.97	1.24	**1.06**
13.45	2.00	**City Telecom**	CTEL	**104.5**	13.25	0.42	**3.27**
9.82	5.43	**Telecom Corp of NZ**	NZT	**96.3**	7.74	0.00	**0**
24.09	17.71	**NTT**	NTT	**86.9**	22.01	0.03	**0.14**
5.38	1.55	**SemiMfgInt**	SMI	**85.1**	5.37	0.04	**0.75**
41.87	20.03	**Telekom Indonesia**	TLK	**84.9**	36.51	0.79	**2.21**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

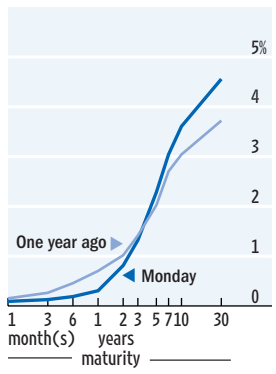
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.600%**	**378.4**	377.8	339.6	**207.2**	**4.590%**	4.215%	**2.952%**
4.500	10	**5.462**	**181.8**	188.5	184.5	**161.2**	**5.510**	5.436	**4.480**
5.000	**Austria** 2	**1.236**	**42.0**	50.9	77.9	**38.4**	**1.321**	1.598	**1.264**
3.900	10	**3.560**	**-8.4**	-6.9	9.5	**128.2**	**3.556**	3.686	**4.150**
2.000	**Belgium** 2	**1.083**	**26.7**	25.3	61.3	**36.6**	**1.065**	1.432	**1.246**
3.750	10	**3.649**	**0.5**	3.0	18.1	**126.5**	**3.655**	3.772	**4.133**
1.500	**Canada** 2	**1.370**	**55.4**	53.5	36.5	**16.5**	**1.347**	1.184	**1.045**
3.750	10	**3.417**	**-22.7**	-20.6	-24.2	**12.9**	**3.419**	3.349	**2.997**
4.000	**Denmark** 2	**1.685**	**86.9**	86.4	111.3	**124.9**	**1.676**	1.932	**2.129**
4.000	10	**3.427**	**-21.7**	-19.2	-5.0	**59.9**	**3.433**	3.541	**3.467**
3.750	**France** 2	**0.900**	**8.4**	8.8	41.3	**55.7**	**0.900**	1.232	**1.437**
3.500	10	**3.418**	**-22.6**	-20.2	-11.3	**73.0**	**3.423**	3.478	**3.598**
1.250	**Germany** 2	**0.880**	**6.4**	5.7	31.0	**33.9**	**0.869**	1.129	**1.219**
3.250	10	**3.121**	**-52.3**	-50.9	-39.2	**16.6**	**3.116**	3.199	**3.034**
0.640	**Hong Kong** 2	**0.746**	**-7.0**	-6.5	-19.9	**-5.4**	**0.747**	0.620	**0.826**
2.160	10	**2.871**	**-77.3**	-74.2	-67.9	**-82.1**	**2.883**	2.912	**2.047**
5.000	**Italy** 2	**1.409**	**59.3**	56.5	109.9	**135.0**	**1.377**	1.918	**2.230**
4.250	10	**3.966**	**32.2**	34.9	52.0	**172.1**	**3.974**	4.111	**4.589**
0.200	**Japan** 2	**0.165**	**-65.1**	-64.2	-65.4	**-48.5**	**0.170**	0.165	**0.395**
1.300	10	**1.304**	**-234.0**	-230.6	-226.1	**-157.1**	**1.319**	1.330	**1.297**
2.500	**Netherlands** 2	**0.886**	**7.0**	6.6	40.5	**71.1**	**0.878**	1.224	**1.591**
3.500	10	**3.399**	**-24.5**	-22.8	-16.1	**97.4**	**3.397**	3.430	**3.842**
5.000	**Portugal** 2	**1.979**	**116.3**	123.9	144.1	**146.4**	**2.051**	2.260	**2.344**
4.800	10	**4.305**	**66.1**	74.1	83.6	**194.5**	**4.366**	4.427	**4.813**
5.350	**Spain** 2	**1.202**	**38.6**	41.6	96.3	**110.1**	**1.228**	1.782	**1.981**
4.000	10	**3.869**	**22.5**	19.5	55.1	**136.3**	**3.820**	4.142	**4.231**
2.750	**Switzerland** 2	**0.329**	**-48.7**	-48.0	-17.9	**472.0**	**0.332**	0.640	**5.600**
2.250	10	**1.900**	**-174.4**	-171.9	-154.8	**-2796.8**	**1.906**	2.043	**-25.100**
3.250	**U.K.** 2	**1.020**	**20.4**	21.1	43.0	**47.7**	**1.023**	1.249	**1.357**
3.750	10	**4.022**	**37.8**	46.3	32.0	**68.3**	**4.088**	3.911	**3.551**
0.875	**U.S.** 2	**0.816**	**...**	...	...	**...**	**0.812**	0.819	**0.880**
3.625	10	**3.644**	**...**	...	...	**...**	**3.625**	3.591	**2.868**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.558%**	16.18	-0.40%	1.97%	1.97%	-9.10%
10-year Treasury	**3.608**	8.29	-0.10	2.56	2.56	-1.05
7 Year Treasury	**3.045**	6.27	-0.04	2.94	2.94	2.99
Five-year Treasury	**2.285**	4.69	0.01	2.39	2.39	2.86
Ryan Index	**2.605**	6.72	-0.09	2.08	2.08	0.37
3 Year Treasury	**1.321**	2.89	...	1.57	1.57	3.49
Two-year Treasury	**0.812**	1.98	-0.01	0.98	0.98	2.47
1 Year Treasury	**0.305**	0.95	-0.01	0.24	0.24	1.37
Six-month Treasury	**0.188**	0.50	...	0.05	0.05	0.62
Ryan Cash Index-a	**0.178**	0.44	...	0.08	0.08	0.61
Three-month bill	**0.127**	0.25	...	0.02	0.02	0.34
One-month bill	**0.091**	0.07	...	...	...	0.12

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	3.25%
Canada	**2.25**	2.50
Japan	**1.475**	1.475
Britain	**0.50**	1.00
ECB	**1.00**	2.00
Switzerland	**0.53**	0.52
Australia	**3.75**	3.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.22813%**	0.50750%
Three month	**0.25194**	1.27125
Six month	**0.38319**	1.81000
One year	**0.83625**	2.10875

	Latest	52 wks ago
Euro Libor		
One month	**0.38125%**	1.49250%
Three month	**0.59938**	1.79875
Six month	**0.91063**	1.90438
One year	**1.19625**	2.01188
Hibor		
One month	**0.07964**	0.29429%
Three month	**0.13000**	0.89643
Six month	**0.23000**	1.24643
One year	**0.51000**	1.68643
Asian dollars		
One month	**0.2376%**	0.50%
Three month	**0.2566**	1.2583
Six month	**0.3870**	1.7800
One year	**0.8390**	2.1033

	Offer	Bid
Eurodollars		
One month	**0.2700%**	0.1700%
Three month	**0.3500**	0.2000
Six month	**0.5000**	0.3000
One year	**0.9000**	0.5500

	Latest	52 wks ago
U.S. discount	**0.75%**	0.50%
Fed-funds target	**0.25**	0.25
Call money	**2.00**	2.00
Overnight repurchase rates		
U.S.	**0.25%**	0.28%
U.K. (BBA)	**0.510**	1.200
Euro zone	**0.29**	1.32

Sources: WSJ Market Data Group; Reuters

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Tuesday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

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Asian index movers...

Nikkei Stock Average

Japan 10221.84

▲ **0.49% or 49.78**

Advances by chip-linked stocks helped push the Japanese market higher after upbeat comments from SanDisk boosted shares of their U.S. counterparts.

Stock	Volume in millions	Close	Change Net	Change %
Mizuho Financial	**78.04**	178	1	0.56
Toshiba	**47.57**	457	9	2.01
Mtshbsh Fin Grp	**41.62**	455	–1	–0.22
Pioneer	**30.51**	305	–13	–4.09
Sanyo Elec	**27.92**	151	unch	...

Sensex

India 16772.56

▲ **2.09% or 343.01**

Record domestic monthly sales by some auto makers helped the market rise for a second straight session. The index closed at its highest level in more than a month.

Stock	Volume in millions	Close	Change Net	Change %
Hindalco-A	**3.54**	169.05	7.80	4.84
Dlf-A	**3.51**	292.25	–4.90	–1.65
Tata Motors-A	**3.01**	797.10	86.05	12.10
Tata Steel-A	**2.05**	609.10	35.45	6.18
Itc-A	**1.67**	241.95	9.90	4.27

Kospi

South Korea 1615.12

▲ **1.29% or 20.54**

Buying by foreign investors following gains on Wall Street helped the market rise. The market was closed on Monday because of a national holiday

Stock	Volume in millions	Close	Change Net	Change %
Samyang Optics	**57.68**	1,345	70	5.49
Korea Tech Ind	**36.81**	65	–1,820	–96.55
Hbe Energy	**16.95**	275	unch	...
Woongjin Chem	**14.39**	1,030	60	6.19
Hanshin Mach	**14.36**	2,420	125	5.45

Hang Seng

Hong Kong 20906.11

▼ **0.72% or 150.82**

Disappointing earnings from HSBC Holdings pulled financial stocks lower. Traders were cautious ahead of Friday's start of meetings of China's legislature.

Stock	Volume in millions	Close	Change Net	Change %
Bank Of China	**527.90**	4.02	0.10	2.55
CCB	**468.13**	6.18	0.07	1.15
Icbc	**436.78**	5.86	0.09	1.56
HSBC	**137.34**	80.55	–6.10	–7.04
ChinaPetroChem	**136.03**	6.07	–0.08	–1.30

Asian stocks in the news

Qantas Airways

Australia A$2.70

▲ **3.1% or A$0.08**

Colin Storrie, the airline's chief financial officer, will resign for personal and health reasons.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**none**		
Earnings per share, past four quarters	**-0.03**		
Dividend yield	**none**		
	Daily	1 wk.	52 wks
Travel & Leisure	**0.5%**	1.7%	35.7%
Qantas Airways	**3.1%**	1.9%	85.6%

Kingboard Chml Hldgs

Hong Kong HK$35.20

▲ **3.2% or HK$1.10**

UOB KayHian raised its target price and earnings forecasts for the stock.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**27**		
Earnings per share, past four quarters	**1.33**		
Dividend yield	**2.1**		
	Daily	1 wk.	52 wks
Chemicals	**0.9%**	0.1%	78.5%
Kingboard Chml Hldgs	**3.2%**	8.5%	179.4%

Hitachi Con Machinery

Japan ¥1,910

▲ **3.2% or ¥60**

Morgan Stanley said it remains bullish on on Japan's machinery and capital-goods industry.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**137**		
Earnings per share, past four quarters	**13.90**		
Dividend yield	**0.5**		
	Daily	1 wk.	52 wks
Indus Gds & Svcs	**1.1%**	0.6%	83.1%
Hitachi Con Machinery	**3.2%**	0.7%	69.0%

Sekisui House

Japan ¥899

▲ **3.3% or ¥29**

Morgan Stanley kept an "overweight" rating on the home builder, saying its net loss was no surprise.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**25**		
Earnings per share, past four quarters	**35.50**		
Dividend yield	**2.3**		
	Daily	1 wk.	52 wks
Personal & Hshld Gds	**1.4%**	0.8%	56.5%
Sekisui House	**3.3%**	1.7%	43.4%

Sumco

Japan ¥1,672

▲ **4.6% or ¥73**

Semiconductor-related shares gained due to signs of improving demand for personal computers.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**none**		
Earnings per share, past four quarters	**-388.00**		
Dividend yield	**none**		
	Daily	1 wk.	52 wks
Technology	**1.4%**	0.3%	92.7%
Sumco	**4.6%**	4.5%	43.8%

GOME Elec App Hldg

Hong Kong HK$2.43

▼ **2.0% or HK$0.05**

The company said one of its units faces bribery charges in Beijing.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**78**		
Earnings per share, past four quarters	**0.03**		
Dividend yield	**none**		
	Daily	1 wk.	52 wks
Retail	**0.3%**	1.8%	62.3%
GOME Elec App Hldg	**-2.0%**	-2.8%	141.1%

Astellas Pharma

Japan ¥3,275

▼ **2.1% or ¥70**

The drug maker made an unsolicited offer to buy OSI Pharmaceuticals.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**12**		
Earnings per share, past four quarters	**262.60**		
Dividend yield	**3.8**		
	Daily	1 wk.	52 wks
Health Care	**0.6%**	1.2%	41.9%
Astellas Pharma	**-2.1%**	-2.1%	5.6%

Genting Singapore

Singapore S$0.87

▼ **4.4% or S$0.04**

UBS said attendance at the group's new Singapore casino shows revenue could be below expectations.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**none**		
Earnings per share, past four quarters	**-0.03**		
Dividend yield	**none**		
	Daily	1 wk.	52 wks
Travel & Leisure	**0.5%**	1.7%	35.7%
Genting Singapore	**-4.4%**	-8.9%	111.5%

Hang Seng Bk

Hong Kong HK$109.00

▼ **5.1% or HK$5.90**

The lender cuts its dividend to preserve capital after reporting weak results on Monday.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**18**		
Earnings per share, past four quarters	**6.01**		
Dividend yield	**4.8**		
	Daily	1 wk.	52 wks
Banks	**1.0%**	2.0%	74.7%
Hang Seng Bk	**-5.1%**	-2.3%	34.1%

Tatts Group

Australia A$2.30

▼ **7.3% or A$0.18**

Tatts bought the lottery business of the Australian state of New South Wales for $765 million.

		PERCENTAGE CHANGE	
Price-to-earnings ratio	**11**		
Earnings per share, past four quarters	**0.22**		
Dividend yield	**4.3**		
	Daily	1 wk.	52 wks
Travel & Leisure	**0.5%**	1.7%	35.7%
Tatts Group	**-7.3%**	-3.8%	-21.5%

HEARD ON THE STREET

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Keeping Astellas's M&A urges in check

Astellas Pharma seems to have found a good fit with **OSI Pharmaceuticals**. If it doesn't keep its cool, though, this could quickly become another Japanese drug deal gone bad.

The logic behind Astellas's $3.5 billion hostile takeover bid for U.S.-based OSI is clear enough: It will plug a big hole for the Japanese company—oncology—and give it access to potential new drugs. This as Astellas faces generic competition for its two top revenue sources. It will also expand the already large foreign footprint of Japan's No. 2 drug maker by sales.

But investors, who knocked Astellas's shares back 2% in Tokyo on Tuesday, are right to be cautious. Should it wind up raising its $52-per-share bid for OSI too high, Astellas wouldn't be the first Japanese drug maker to have moved too hastily in its effort to find new drugs and new markets.

Astellas's bid remains reasonable even if it is bordering on the high end. At 8.2 times revenue, the deal valuation is much lower than other big bids by Japan's drug makers. **Eisai**'s 2008 purchase of MGI Pharma, for example, was closer to 13.5 times revenue.

But OSI shareholders already expect Astellas to raise its bid to clinch the deal. Beyond the impact on future earnings, from amortization of goodwill and in-process research and development, this will eat up much of Astellas's $4.4 billion in cash. Moody's put the company on review Tuesday for a possible downgrade because of this.

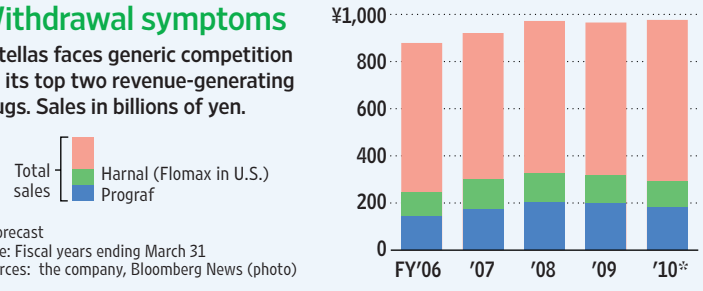
Plus, OSI does come with some risk. The company is trying to expand the use of its key cancer drug, Tarceva, but it suffered a setback on that front in December when a U.S. Food and Drug Administration advisory panel voted against one expanded use of the drug—as the primary treatment for a type of lung cancer.

That Astellas walked away from a bidding war over CV Therapeutics last year offers some comfort. But it is a motivated buyer. Investors should hope it isn't too motivated.

—James Simms

Withdrawal symptoms

Astellas faces generic competition for its top two revenue-generating drugs. Sales in billions of yen.



* Forecast
Note: Fiscal years ending March 31
Sources: the company, Bloomberg News (photo)

Crude or food? It's time to switch from oil to soil

When things turn against you, there is always comfort eating.

Agricultural products were latecomers to the past decade's commodities ball. While the likes of oil and copper still trade well above their averages since 1972 in real terms, the likes of wheat and corn are below them, according to Deutsche Bank.

All commodities benefited from a Malthusian vision of China consuming the world, but industrial raw materials did best. With industrialized economies subdued, Beijing's ability to maintain breakneck growth is more important than ever.

So is its willingness to tolerate the threat of inflation. Lombard Street Research measures broad money-supply growth for the U.S., euro zone, U.K., Japan and China. Annualized, this hit more than 10% in late 2007.

By December 2009, it was back to 5.4%, but only because China was offsetting declines elsewhere. Now that a nervous Beijing is tightening, global growth in the broad money supply could fall well below the past 15 years' usual range of 6% to 8%.

Tighter money hits all risk assets. Carry trades in the likes of oil become more expensive to finance. Already, the annualized return from storing West Texas Intermediate oil and selling it forward has dropped from more than 14% in late 2009 to less than 2%, according to energy economist Phil Verleger.

Make no mistake: Commodities as a whole are exposed. But in relative terms, "softs" look safer. They aren't as exposed to the physical carry trade because they are harder to store: Aluminum in a warehouse remains usable, while grain attracts rats.

Agricultural commodities also are less correlated to other risk assets.

The soft commodities' more random walk is important. A big argument in favor of these non-yielding assets is the diversification benefits. But these days, the prices of industrial commodities are, like stocks, closely tied to expectations of economic growth and fluctuations in the value of the dollar. Agricultural commodities also are leveraged to growth, but less so. More important, they are intensely exposed to the vagaries of the weather on the supply side. Committed-but-concerned commodities investors should consider chowing down.

—Liam Denning

Property game in China to get rougher in '10

After a rollicking 2009, China's property developers are preparing for a return to earth.

The latest news from **China Vanke**, China's largest real-estate developer by market share, has set the tone. Reporting a 32% rise in net profit last year, it forecast a mixed picture this year, with selling prices likely to "stabilize."

That could prove to be quite a euphemism.

China's leaders, who gather this week for the annual National People's Congress, are worried about the fast rise in property prices recently. A particular concern is that many hopeful first-time buyers are being priced out of the market. Administrative measures to slow things down came into force over the winter and more could be in store.

The stakes are higher for some property companies than for others. Standard & Poor's, in a recent report, said the most at risk are companies that bought land at high prices last year. **Shanghai Zendai Property** and **Greentown China Holdings** are two vulnerable stocks here, it says.

By contrast, some property businesses have proved they are more able to keep sales buoyant even in a tougher market.

Citi Investment Research points to **China Overseas Land & Investment**, **China Resources Land** and **Shimao Property** as examples of companies able to keep selling during the last downturn in 2008, because of what it calls their "strong execution ability."

This year looks set to help separate the sheep from the goats in China's property sector. The party congress could help define just how quickly this separation happens.

—Andrew Peaple

CEMEX
USD 1,868,800,000
Follow-On Offering
Joint Bookrunner
September 2009

ALAPIS
EUR 451,100,000
Rights Issue
Joint Bookrunner
September 2009

AEGON
EUR 1,000,000,000
Accelerated Bookbuilt Offering
Joint Bookrunner
August 2009

asciano
AUD 2,350,000,000
Placement and Rights Issue
Joint Lead Manager and Underwriter
June 2009

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